



Arkansas Public Service Commission

1994 Annual Report

1994 ANNUAL REPORT

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Section 1. Introduction

The Arkansas Public Service Commission

The Arkansas Public Service Commission (Commission) regulates public utilities which provide electric, gas, telecommunications, water and sewer services to Arkansas consumers. These utilities generate annual revenues exceeding \$3.6 billion, of which \$3.2 billion are jurisdictional revenues. To finance its regulatory operations, the Commission is authorized to levy and collect an annual fee based proportionally on the gross earnings of each utility.

The General Assembly created the Commission and delegated to it the power to regulate the services and rates of those utilities subject to its jurisdiction. The Commission's primary responsibilities are to ensure that service is safe and adequate and that rates are just and reasonable. In general, the Commission is charged with the duty of ensuring that a public utility charges a rate that will give it a fair return on invested capital and ensuring that the consumer does not pay more than necessary to produce a fair return to the utility for its service.

The Commission's current delegation of legislative authority over utilities is the product of legislative evolution. At this time, the Commission has general supervisory authority over electric, gas, telecommunications, water and sewer services which are provided to the public for compensation. At various points in time, the Commission's authority to regulate these utility services has been expanded and reduced. Currently, the Commission does not have regulatory authority over municipally-owned or operated utilities. Additionally, the Commission has limited jurisdiction over small water and sewer utilities. More specifically, small water and sewer utilities are not subject to Commission jurisdiction unless either the customers of the utility or the utility petition the Commission to exercise its regulatory jurisdiction over that utility. With respect to cellular telecommunications, the Commission does not regulate the price or services of such providers unless the Commission, after notice and hearing and upon substantial evidence, should determine to do so.

Section 2. Agency Organization

A. POSITION SUMMARY

The Arkansas Public Service Commission consists of three Commissioners appointed by the Governor for overlapping six-year terms. The agency also has 173 regular staff positions divided into three Divisions: The Utilities Division, the Assessment Coordination Division, and the Tax Division.

The Commissioners have oversight responsibility for all three Divisions, but spend a majority of their time dealing with utility issues. This report will be limited to a discussion of Utilities Division Activities. The Tax and Assessment Coordination Divisions submit separate Annual Reports.

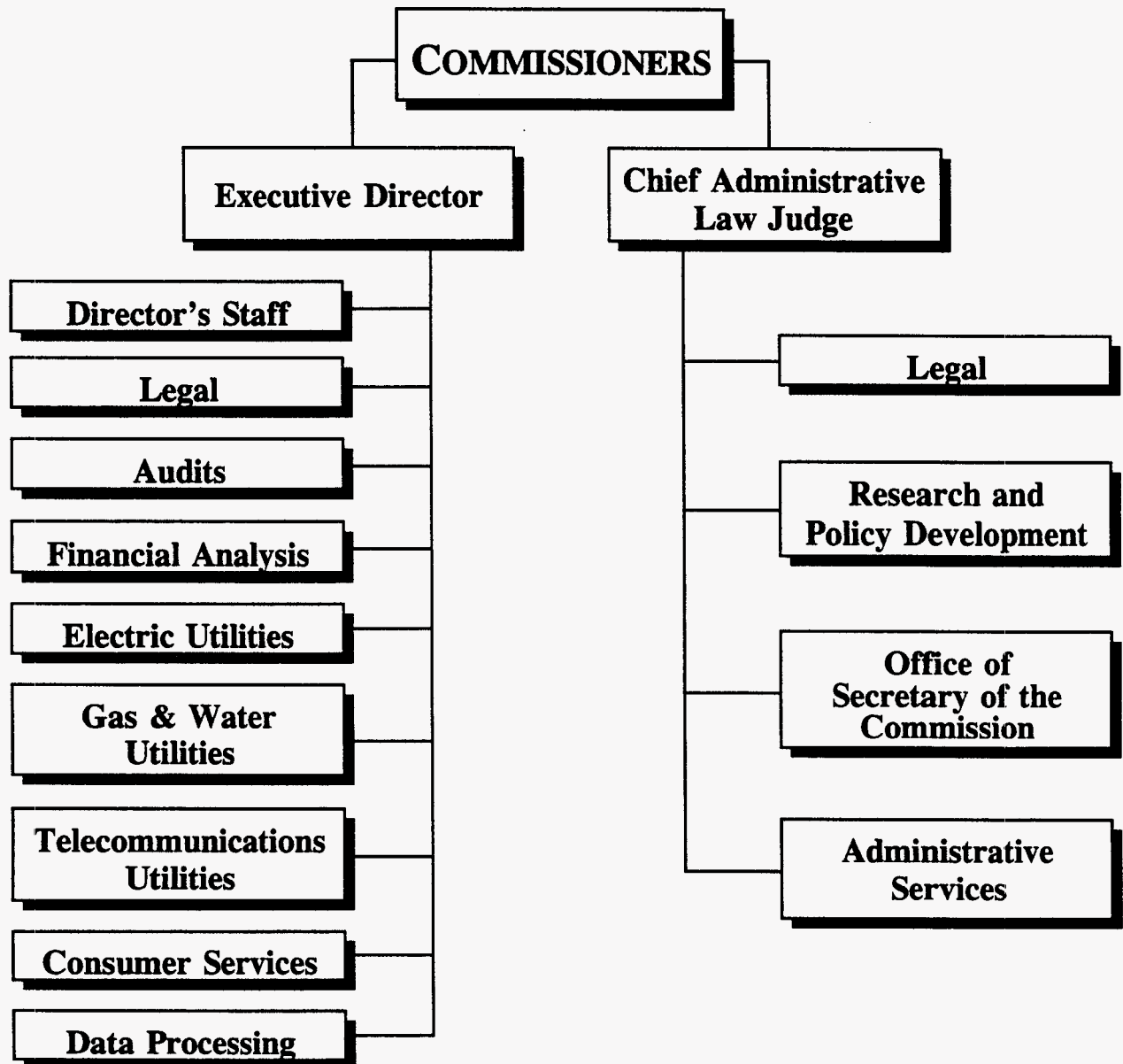
The Utilities Division, including our federally reimbursed Pipeline Safety Program, has 117 authorized regular positions. This total includes the Commissioners and their immediate staff, which encompasses their Legal Section, Research and Policy Development Section, Administrative Services Section, and the Office of the Secretary of the Commission; the PSC Director; and the eight General Staff Sections. A list of all Sections, their assigned positions, and an organizational chart are included below:

Organizational Component	Number of Positions
Commissioners	3
Commissioners' Staff	
Legal	6
Research and Policy Development	11
Administrative Services	7
Secretary of the Commission	3
Support Staff	5
PSC General Staff	
PSC Director's Office	3
Gas & Water Utilities	13
Electric Utilities	8
Telecommunications Utilities	9
Audits	14
Financial Analysis	10
Legal	13
Consumer Services	6
Data Processing	6
TOTAL	117

Section 2. Agency Organization

B. Organizational Chart

Arkansas Public Service Commission
Utilities Division



Section 2. Agency Organization

C. SECTION RESPONSIBILITIES

COMMISSIONERS

The Commissioners function as a quasi-legislative body, with quasi-judicial authority. In that capacity, they render decisions and develop orders for implementing those decisions. The decisions cover a wide spectrum of issues including policy matters, rates, tariffs, territory allocations, utility plant construction sitings, bond issues, assessment protests in opposition to Tax Division determinations, and equalization of property tax assessments by local Equalization Boards.

The Commissioners' Staff, under the direction of the Chief Administrative Law Judge, is comprised of four Sections: 1) the Legal Section; 2) the Research and Policy Development Section; 3) the Office of the Secretary of the Commission; and 4) the Administrative Services Section. Responsibilities of each Section are described below.

Legal Section. This Section is comprised of Administrative Law Judges and attorneys. The Administrative Law Judges render decisions and develop orders in dockets delegated to them by order of the Commission. Attorneys in this Section also advise and represent the Commission on various state and federal legal matters.

Research and Policy Development Section. This Section, under the supervision of the Director of Research and Policy Development, is the technical arm of the Commissioners' Staff, with personnel specializing in the telecommunications, electric, and natural gas industries, as well as in economic and accounting matters. This Section is responsible for filings before federal agencies, developing regulatory policy recommendations for the Commission, and providing technical advice to the Commissioners on matters before the Commission.

Office of the Secretary of the Commission. All documents filed before the Commission and all orders issued by the Commission are processed by this Office. Official Commission records such as docket files, tariffs, and annual reports are also maintained in this area. This Office supplies the general public and utility representatives with any requested information regarding utility regulation.

Section 2. Agency Organization

Administrative Services Section. Staff members assigned to the Administrative Services Section provide administrative support for the Utilities Division. This Section is comprised of two units - the Fiscal/Personnel Office and the Mail/Supply/Copy Center.

Fiscal/Personnel staff members prepare initial budgets; handle purchasing, accounting, inventory control and payroll; assist in developing assessments for the PSC's operating budget; and administer the Federal Department of Transportation Pipeline Safety Grant. Maintaining personnel records, screening and processing job applicants, conducting new employee orientation, and coordinating employee training and management classes are other functions performed by the Fiscal/Personnel Office.

The Mail/Supply/Copy Center handles internal mail distribution, photocopying, and maintenance of the agency vehicle fleet.

GENERAL STAFF

Office of the Director. The PSC Director is responsible for the overall management of the General Staff of the Utilities Division. Staff members in the Utilities Division perform a wide variety of responsibilities which are accomplished through the eight Sections described below. In addition, staff members assigned to the Director's area administer the Docket Tracking System, produce annual reports, and develop publications and presentations for a variety of education and outreach activities.

Telecommunications Section. The Telecommunications Section is responsible for industry specific rate, financial, quality of service, and accounting matters. Staff members constantly interact with 27 local exchange companies, approximately 80 interexchange carriers, about 30 cellular carriers and the public. That interaction is necessary to be responsive to the rapid changes in the industry, the introduction of new services, the effects of Federal regulatory actions and the questions and service problems of the public. This Section also conducts an ongoing evaluation of the quality of service provided by the local exchange companies in Arkansas. That evaluation measures the companies' performance against the Commission's Special Rules-Telecommunications and is administered to ensure that each company is evaluated at least once every two years.

Natural Gas and Water Section. The Natural Gas and Water Section has two distinct functions. Natural Gas and Water staff members primarily focus on financial and rate matters concerning natural gas, water and sewer utilities. They must understand and evaluate

Section 2. Agency Organization

the complex rate structures and the earning requirements of the three water, one sewer, and five natural gas utilities currently under the Commission's jurisdiction.

This Section also contains the Gas Pipeline Safety Unit. The role of the Gas Pipeline Safety Unit's members is to ensure that natural gas operators are in compliance with the Arkansas Gas Pipeline Safety Code. Compliance is determined through periodic inspections of safety, corrosion, and leakage control which are performed on 22 intra-state natural gas operators and 421 master-metered gas systems.

Electric Section. The Electric Section monitors the activities, operations, costs, and earnings of the four investor-owned and eighteen cooperative electric utilities under the Commission's jurisdiction. Section responsibilities cover all aspects of utility regulation and include determination of revenue requirement; rate design, accounting and finance; transmission line siting; and, engineering. Each member of the Section identifies issues, analyzes the impact of those issues on the utility and the ratepayer, and develops and presents expert testimony before the Commission. Members of this Section perform special project analyses, conduct general and special issue audits and investigations, and provide technical evaluations relating to consumer complaints. They also make periodic inspections of electric utility facilities and procedures to ensure compliance with Commission rules and standards.

Legal Section. Attorneys on the General Staff perform a dual function at the Commission. They represent the Staff in proceedings before the Commission and represent the Commission in matters and proceedings outside the Commission, such as appellate cases and appearances before federal regulatory commissions. Additionally, Legal Section attorneys act as Commission hearing officers in certain designated dockets.

Financial Analysis Section. The Financial Analysis Section develops or assists the Utility Industry Sections in the development of Staff's position on various regulatory issues, conducts focused investigations as directed, evaluates depreciation rates and capital recovery issues, and performs various financial and economic analyses to assess the required rate of return and other financing issues for jurisdictional utilities. Responsibilities include presenting recommendations to the Commission through pre-filed expert testimony and by presenting positions through oral testimony and cross-examinations during public hearings.

Audits Section. The Audits Section participates in all rate case proceedings. Section staff members conduct extensive reviews, audits, and analyses of rate case applications; conduct ongoing reviews of the earnings levels of public utilities; evaluate transactions between

Section 2. Agency Organization

regulated utility companies and their affiliates; and, conduct compliance audits on an ongoing basis. This Section is comprised of two functional groups - Audits and Compliance Audits.

Consumer Services Section. The Consumer Services Section handles customer questions and complaints about the rates and service of regulated utilities. Staff members review all complaints for compliance with PSC rules and approved utility tariffs and act as liaisons with utilities in resolving those complaints. This Section also provides educational brochures, materials, and group presentations.

Another responsibility of the Consumer Services Section is customer service audits of jurisdictional utility companies. The audits consist of a thorough review of utility policies and procedures. The objective is the identification of opportunities for improvements and recommendations are often made to ensure compliance with Commission Rules.

Data Processing Section. Data Processing staff members maintain computer hardware and software for rate cases, provide administrative and research support, and handle general office automation. New application development, adaptation of data and systems from other computer facilities, and training are other responsibilities assigned to this area. Currently, a Data General MV/30000 computer and desktop microcomputers are used to handle in-house data and word processing. Portable microcomputers are provided for field audits.

Section 3. 1994 Activity Summary

1994 Activity Summary

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
New Dockets	28	31	47	22	52	45	42	41	32	43	37	43	463
Filings	282	295	398	292	348	443	451	393	323	434	368	382	4,409
Hearings	2	1	3	3	2	0	5	4	1	1	4	4	30
Hearing Days	2	1	3	3	2	0	5	4	1	1	5	4	31

Summary Schedule of Orders Issued in 1994

Order	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Electric	12	19	13	20	12	27	39	27	11	33	28	15	256
Gas	10	3	1	3	3	8	6	6	2	9	5	1	57
Telephone	49	67	100	63	74	101	68	98	75	83	88	89	955
Water	4	1	4	0	4	0	1	1	0	1	1	0	17
Sewer	2	1	4	1	1	1	1	0	1	0	0	0	12
Others	1	4	1	1	0	1	5	0	1	3	2	3	22
Total	78	95	123	88	94	138	120	132	90	129	124	108	1,319

Total Orders Issued For This Period: 1,319

Section 4. Jurisdictional Utilities

During 1994, the Commission carried out its statutory obligation to review and regulate the rates and practices of utility companies. The 204 utilities under the Commission's jurisdiction in 1994 are listed below:

Investor-Owned Electric Utilities	4
Electric Cooperatives	18
Gas Utilities	
Investor-Owned	6
Pipeline Utilities	
Municipal	6
Privately Owned	2
Investor Owned	4
Water Utilities	3
Sewer Utilities	1
Telecommunications Utilities	30
Competitive Interexchange Carriers, Resellers and Cellular Providers	130
TOTAL	204

Investor-Owned Electric Utilities

Arkansas Power & Light Company
Empire District Electric Company, (The)

Oklahoma Gas and Electric Company
Southwestern Electric Power Company

Electric Cooperatives

Arkansas Electric Cooperative Corporation
Arkansas Valley Electric Cooperative
 Corporation
Ashley-Chicot Electric Cooperative, Inc.
C & L Electric Cooperative Corporation
Carroll Electric Cooperative Corporation
Clay County Electric Cooperative Corporation
Craighead Electric Cooperative Corporation
Farmers Electric Cooperative Corporation
First Electric Cooperative Corporation
Mississippi County Electric Cooperative, Inc.

North Arkansas Electric Cooperative, Inc.
Ouachita Electric Cooperative Corporation
Ozarks Electric Cooperative Corporation
Petit Jean Electric Cooperative Corporation
Rich Mountain Electric Cooperative, Inc.
South Central Arkansas Electric
 Cooperative, Inc.
Southwest Arkansas Electric Cooperative
 Corporation
Woodruff Electric Cooperative Corporation

Section 4. Jurisdictional Utilities

Investor-Owned Gas Utilities

Arkansas Louisiana Gas Company, Inc.
Arkansas Oklahoma Gas Corporation
Arkansas Western Gas Company and its
Division, Associated Natural Gas Company

Louisiana-Nevada Transit Company
NOARK Pipeline System, LTD Partnership
Union Gas Company of Arkansas, Inc. (The)

Pipeline Utilities

Augusta City Light, Water and Gas
Buttonwood Petroleum, Inc.
Delhi Gas Pipeline Corporation
Des Ark Municipal Gas Company
DeValls Bluff Natural Gas System
Harrisburg Water and Gas Division

Hazen Natural Gas Company
J-W Operating Company
NGC Energy Resources, Limited Partnership
Natural Gas Pipeline Company of America
NorAM Gas Transmission
North Crossett Gas & Water Company

Water Utilities

General Waterworks Corporation of
Pine Bluff, Arkansas, Inc.

Riviera Utilities of Arkansas, Inc.
Shumaker Public Service Corporation

Sewer Utilities

Central Arkansas Sewer Systems, Inc.

Telecommunications Utilities

ALLTEL Arkansas, Inc.
Arkansas Telephone Company, Inc.
Caddoan Telephone Company
Central Arkansas Telephone Cooperative, Inc.
Century Telephone of Arkansas, Inc.
Cleveland County Telephone Company, Inc.
Decatur Telephone Company, Inc.
E. Ritter Telephone Company
GTE Arkansas, Inc.

GTE Midwest, Inc.
GTE Southwest, Inc.
Lavaca Telephone Company, Inc.
Madison County Telephone Company, Inc.
Magazine Telephone Company, Inc.
Mountain Home Telephone Company, Inc.
Mountain View Telephone Company
Northern Arkansas Telephone Company, Inc.
Perco Telephone Company

Section 4. Jurisdictional Utilities

Telecommunications Utilities (Continued)

Prairie Grove Telephone Company
Redfield Telephone Company, Inc.
Rice Belt Telephone Company, Inc.
Scott County Telephone Company, Inc.
South Arkansas Telephone Company, Inc.
Southwest Arkansas Telephone
Cooperative, Inc.

Southwestern Bell Telephone Company
Tri-County Telephone Company, Inc.
Union Telephone Company, Inc.
Walnut Hill Telephone Company
Yelcot Telephone Company, Inc.
Yell County Telephone Company

IXC Carriers, Resellers And Cellular Providers

Affinity Fund, Inc.
Affinity Network, Inc.
AIS Telecommunication Services, Inc.
Allnet Communication Services, Inc.
ALLTEL Cellular Associates of Arkansas, Inc.
ALLTEL Central Arkansas Cellular
ALLTEL Mobile Communications, Inc.
includes:
Fayetteville MSA Limited Partnership
Fort Smith MSA Limited Partnership
Northwest Arkansas Limited Partnership
Arkansas RSA #1
Pine Bluff Limited Partnership
Alternate Communications Technology, Inc.
American Telecommunications Enterprise, Inc.
American Telephone Network, Inc.
American Teletronics Long Distance, Inc.
Amerishare Communications, Inc.
Ameritel Pay Phones, Inc.
AmeriVision Communications, Inc.
Arkansas 12 Cellular Corp.
ARK-TEL, Inc.
Arkansas RSA No. 1 Limited Partnership
Automated Coin Call, Inc.
Automated Communications, Inc.
Business Telecom, Inc.
Cable & Wireless Communications, Inc.
Capital Network System, Inc.

CCI RSA, Inc.
Cellular Express, Inc.
Centennial Clay Cellular Corp.
Centercom Ark Limited Partnership
Century Cellunet of:
Arkansas RSA #12 Cellular Limited
Partnership
Minnesota RSA #6, Inc.
North Arkansas Cellular Limited Partnership
Southwest Arkansas Cellular Limited
Partnership
Century Telecommunications, Inc.
Cherry Communications, Inc.
Coast International, Inc.
Communi-Group, Inc.
Communigroup of K.C., Inc.
Communications Gateway Network, Inc.
Connect America Communications, Inc.
ConQuest Operator Services Corp.
Convergent Communications, Inc.
Corporate Telemanagement Group, Inc.
Deltacom, Inc.
Dolphin Telecommunications Corp.
Enterprise Telcom Services, Inc.
Excel Telecommunications, Inc.
Executone Information Systems, Inc.
Frontier Communications International, Inc.
Furst Group, Inc.

Section 4. Jurisdictional Utilities

IXC Carriers, Resellers and Cellular Providers (Continued)

Gateway Technologies, Inc.	One Call Communications, Inc.
GE Exchange	111 Center Street Limited Partnership
GTE Mobilnet Sales Corp.	Operator Service Company
Includes:	PSP Marketing Group, Inc.
Fayetteville	Pennsylvania Alternative Communications, Inc.
Fort Smith	Petracom Corporation
Pine Bluff	Phoenix Network, Inc.
Texarkana	Pine Bluff Cellular, Inc.
GTE Telecommunications Services, Inc.	Premier Billing Systems, Inc.
Global Tel-link Corp.	Quest Communications Corp.
Hedges & Associates, Inc.	Quest Telecommunications, Inc.
Heritage Publishing Company	Snider Communications Corp.
Hertz Technologies, Inc.	Southern Pacific Telecommunications Company
Home Owners Long Distance, Inc. - Intelcom	Sprint Communications Company L.P.
Hospitality Communications Corp.	T.W.R. Cellular, Inc.
IDB WorldCom Services, Inc.	Teledebit, L. P.
Inmate Communications Corp.	Telegroup, Inc.
International Telecommunications Exchange Corporation	Telenational Communications Corp.
LCI International Telecommunications Corp.	Telnet Communications, Inc.
LDCC, Inc.	Tel-Save, Inc.
LDDS	Texarkana Cellular Partnership
LDDS of Arkansas	Touch 1, Inc.
Long Distance Network, Inc.	Trans National Communications, Inc.
Long Distance Savers, Inc.	U.S.I.
Lubbock Radio Paging Service, Inc.	USX Consultants, Inc.
Matrix Telecom	U. S. Communications, Inc.
McCaw Communications, Inc.	U.S. Digital Network Limited Partnership
MCI Telecommunications Corp.	U.S. Long Distance, Inc.
Memphis Cellular Telephone Company	U. S. Wats, Inc.
Memphis SMSA Limited Partnership	Unidial, Inc.
Mid-Com Communications, Inc.	Value-Added Communications, Inc.
Midwest Fibernet, Inc.	VarTec National, Inc.
Motorola Cellular Service, Inc.	Voyager Network, Inc.
Network Long Distance, Inc.	Walnut Hill Cellular Telephone Company
Network Operator Services, Inc.	WATS/800, Inc.
Network Services Group, Inc.	West Coast Telecommunications, Inc.
Network Services, Inc.	Westel, Inc.
Norstan Network Services, Inc.	WilTel, Inc.
NOS Communications, Inc.	Working Assets Funding Service, Inc.
Nosva, Limited Partnership	Worldtel Services, Inc.

Section 5. Gas Industry Summary

A. Highlights

■ The State's largest local distribution company filed a request to increase its rates during 1994. A substantial amount of time was expended by Staff investigating this request. The company, Staff, Intervenor and Office of the Attorney General filed testimony. A joint stipulation was reached between the company, Staff, and an intervenor. The Commission is currently deliberating the case.

The same local distribution company requested approval to apply certain accumulated funds to the elimination of numerous extension surcharges. After reviewing the request, Staff recommended its approval to the Commission.

Also, the same local distribution company requested approval to change certain of its gas transportation tariffs to correspond to the tariffs of its chief interstate pipeline transporter. After reviewing the request, Staff recommended approval.

The State's smallest local distribution company also filed a rate increase request during 1994. Staff has not started its field audit at the company's out-of-state office and will be preparing its recommendations in the coming year. The same local distribution company requested Commission approval to change its cost of gas adjustment clause. Staff is currently examining this request.

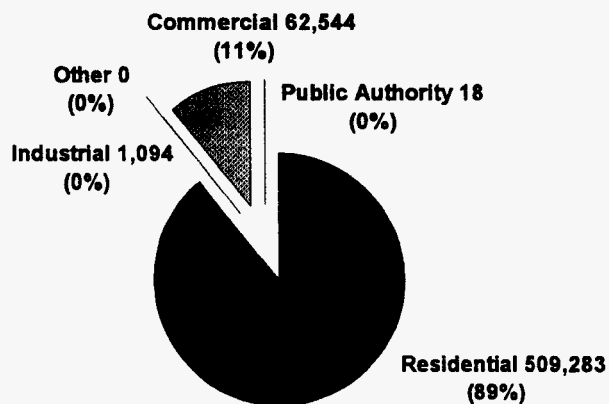
The review into the purchasing practices of the second largest local distribution company, begun in 1991, continued in 1994. The Commission determined that this local distribution company was not purchasing certain of its natural gas supply at the most advantageous price. The Commission directed that additional proceedings be conducted to determine the proper price for this gas supply. During the year, the company, Staff and the Office of the Attorney General entered into and filed a joint stipulation and agreement. If approved, the stipulation and agreement would settle all remaining issues in this case.

B. Gas Customers & Sales Revenues By Class

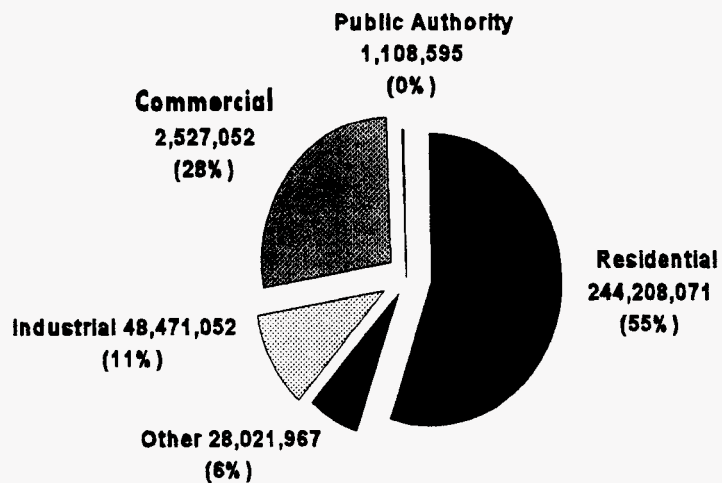
■ The following charts show: 1) the percentage of jurisdictional residential, commercial, industrial, public authority, and other customers; and, 2) the corresponding percentage of residential, commercial, industrial, public authority, and other sales revenues. As can be seen by comparing the two graphs, residential customers represent almost 89% of all customers, while revenues for those customers only represent 55% of all revenues. In contrast, commercial and industrial sales customers represent 11% and less than 1% of total customers respectively, while their sales revenues account for almost 28% and almost 11% of total revenues respectively. The public authority class is negligible in terms of the number of customers and revenues.

Section 5. Gas Industry Summary

**NUMBER OF GAS CUSTOMERS
by Class for 1993**



**GAS SALES REVENUE
by Class for 1993**



Section 5. Gas Industry Summary

C. Statistical Summaries for Gas

**GAS COMPANIES - ARKANSAS ONLY
PLANT INVESTMENT; OPERATING REVENUES
YEAR ENDED DECEMBER 31, 1993**

COMPANY	PLANT INVESTMENT	OPERATING REVENUE	RATIO(%) OPERATING REVENUE /INVEST.
*Arkansas Louisiana Gas Company, Inc.	\$301,311,616	\$293,979,108	97.57 %
Arkansas Oklahoma Gas Corp.	\$50,771,673	\$43,173,176	85.03 %
Arkansas Western Gas Co.	\$220,915,702	\$96,262,608	43.57 %
Louisiana-Nevada Transit Co.	\$2,687,907	\$1,327,079	49.37 %
NOARK Pipeline System, Ltd. Partnership	\$102,581,146	\$8,300,872	8.09 %
Union Gas Company of Arkansas, Inc. (The)	\$1,492,046	\$1,228,037	82.31 %
TOTALS	\$679,760,090	\$444,270,880	65.36 %

* Arkansas Louisiana Gas Company, Inc.'s Operating Revenue amount reflects the refund of \$65,857 during 1993.

Section 5. Gas Industry Summary

GAS COMPANIES - ARKANSAS ONLY CUSTOMERS; MCF SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	MCF SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE MCF PER CUSTOMER
ARKANSAS LOUISIANA GAS COMPANY, INC.					
Residential	370,178	31,964,706	\$179,940,044	\$486	86
Commercial	44,139	17,414,514	\$81,493,581	\$1,846	395
Industrial	799	6,067,671	\$21,011,872	\$26,298	7,594
Public Authority	0	0	\$0	\$0	0
Totals Without					
Other Revenues	415,116	55,446,891	\$282,445,497	\$680	134
Other Revenues	N/A	N/A	\$11,599,468	N/A	N/A
TOTALS	415,116	55,446,891	\$294,044,965	N/A	N/A
ARKANSAS OKLAHOMA GAS CORPORATION					
Residential	37,444	3,787,360	\$15,314,312	\$409	101
Commercial	4,998	4,561,594	\$14,843,027	\$2,970	913
Industrial	11	3,805,836	\$10,546,199	\$958,745	345,985
Public Authority	4	315,541	\$1,084,900	\$271,225	78,885
Totals without					
Other Revenues	42,457	12,470,331	\$41,788,438	\$984	294
Other Revenues	N/A	N/A	\$1,384,738	N/A	N/A
TOTALS	42,457	12,470,331	\$43,173,176	N/A	N/A
ARKANSAS WESTERN GAS COMPANY					
Residential	97,560	9,232,664	\$47,476,155	\$487	95
Commercial	12,935	5,817,967	\$25,536,281	\$1,974	450
Industrial	282	4,822,050	\$16,674,516	\$59,129	17,099
Public Authority	0	0	\$0	\$0	0
Totals without					
Other Revenues	110,777	19,872,681	\$89,686,952	\$810	179
Other Revenues	N/A	N/A	\$6,575,656	N/A	N/A
TOTALS	110,777	19,872,681	\$96,262,608	N/A	N/A

Section 5. Gas Industry Summary

GAS COMPANIES - ARKANSAS ONLY CUSTOMERS; MCF SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	MCF SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE MCF PER CUSTOMER
LOUISIANA-NEVADA TRANSIT COMPANY					
Residential	1,663	106,747	\$618,547	\$372	64
Commercial	168	58,505	\$307,668	\$1,831	348
Industrial	2	225,813	\$238,465	\$119,233	112,907
Public Authority	4	199	\$1,200	\$300	50
Totals without					
Other Revenues	1,837	391,264	\$1,165,880	\$635	213
Other Revenues	N/A	N/A	\$161,199	N/A	N/A
TOTALS	1,837	391,264	\$1,327,079	N/A	N/A
NOARK PIPELINE SYSTEM, LIMITED PARTNERSHIP					
Residential	0	0	\$0	\$0	0
Commercial	0	0	\$0	\$0	0
Industrial	0	0	\$0	\$0	0
Public Authority	0	0	\$0	\$0	0
Totals without					
Other Revenues	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$8,300,872	N/A	N/A
TOTALS	0	0	\$8,300,872	N/A	N/A
UNION GAS COMPANY OF ARKANSAS, INC. (THE)					
Residential	2,438	197,033	\$859,013	\$352	81
Commercial	304	88,518	\$346,495	\$1,140	291
Industrial	0	0	\$0	\$0	0
Public Authority	10	5,933	\$22,495	\$2,250	593
Totals without					
Other Revenues	2,752	291,484	\$1,228,003	\$446	106
Other Revenues	N/A	N/A	\$34	N/A	N/A
TOTALS	2,752	291,484	\$1,228,037	N/A	N/A
Totals Without					
Other Revenues	572,939	88,472,651	\$416,314,770	\$727	154
TOTALS	572,939	88,472,651	\$444,336,737	N/A	N/A

Section 6. Electric Industry Summary

A. Highlights of 1994

All electric utilities in the State engaging in promotional activities were required to file tariffs with the Commission in compliance with Section 9, Transition Period, of the Rules and Regulations Governing Promotional Practices of Electric and Gas Public Utilities (Promotional Practices Rules). These promotional practices filings included the economic development rates offered by Arkansas Power & Light Company (AP&L), Southwestern Electric Power Company (SWEPCO) and Arkansas Electric Cooperative Corporation (AECC); the water heating and space heating rate schedules offered by SWEPCO, Oklahoma Gas and Electric (OG&E) and Empire District Electric Company (Empire); and several other special contract rates. The cost-effectiveness of each of these transition period filings was evaluated by Staff using the criteria established by the Commission in the Promotional Practices Rules.

In response to competitive energy alternatives, electric utilities seeking to retain or attract industrial load negotiated several special contracts with industrial customers. These special contracts employed rate reductions necessary to defer the installation of cogeneration facilities, interruptible service discounts, and other pricing incentives. During 1994, nine special rate contracts, an experimental economic development rate, and a revised economic development rate were filed in accordance with the filing requirements set forth in the Commission's Promotional Practices Rules.

In February of 1994, the Commission initiated a Notice of Inquiry (NOI) to consider the adoption of two standards found in Sections 111 and 115 of the Energy Policy Act of 1992 (EPACT). Those standards pertained to cost recovery for investments by electric and gas utilities in conservation and demand-side management. Staff conducted five regional workshops to explain the proposed standards and to solicit comments regarding the potential competitive impact on small businesses. Staff filed a report with the Commission detailing the comments made during the regional workshops and made several recommendations to be considered by the Commission in adopting the EPACT standards. In addition, Staff, utilities, and other interested parties filed initial, reply, and final comments for the Commission's consideration. After a public hearing, the Commission issued an Order declining to adopt the EPACT standards.

Late in 1994, in light of changes occurring in the electric industry, the Commission initiated a Notice of Inquiry to focus solely on the new Public Utility Regulatory Policy Act (PURPA) standards pertaining to integrated resource planning (IRP) and energy efficiency investments in power supply and generation for electric utilities. In conjunction with this docket, the Commission suspended the pending IRP proceedings in Docket Nos. 92-160-U, 92-164-U, 92-165-U and 92-229-U, pending the final decision in the NOI.

As part of the settlement of AECC's last rate case, AECC agreed not to commence construction of hydroelectric generation capacity at Dam No. 2 (HS 2) on the Arkansas River

Section 6. Electric Industry Summary

without first obtaining a Certificate of Convenience and Necessity (CCN) for that construction from the Commission. Accordingly, AECC applied for Commission approval to construct a \$192 million dollar, 120MW hydroelectric station at Dam No. 2. After a public hearing, the Commission issued an Order which waived the requirement of the stipulation that AECC obtain a CCN to construct the generating facility. This waiver was conditioned upon AECC's Board of Directors formally reconsidering the hydroelectric project and voting to proceed. On June 2, 1994, AECC filed with the Commission its Board of Directors' resolution to continue construction of the hydroelectric generating facility.

During 1994, Electric Section Staff members processed eight applications for Certificates of Convenience and Necessity to construct transmission facilities. Nine dockets involving the release of certain customers from one utility to another were processed and ten quality of service evaluations to verify utility compliance with Commission standards were also conducted.


Two electric cooperatives and one investor-owned utility filed applications during 1994 requesting approval to increase their rates. Ashley Chicot Electric Cooperative requested a general rate change of \$418,855 under authority of Act 821 of the Regular Session of 1987 (Ark. Code Ann. Sec. 23-4-901 et seq).

Farmers Electric Cooperative Corporation (Farmers) filed rate schedules to increase its rates as a result of a renegotiated contract with its wholesale power supplier, AP&L. In addition, in order to mirror its wholesale rate bills, Farmers sought and received Commission approval to implement a retail cost of energy adjustment.

Empire District Electric Company (Empire) filed an application requesting a rate increase of \$248,000. After an audit by the Electric Staff, Empire withdrew its request.

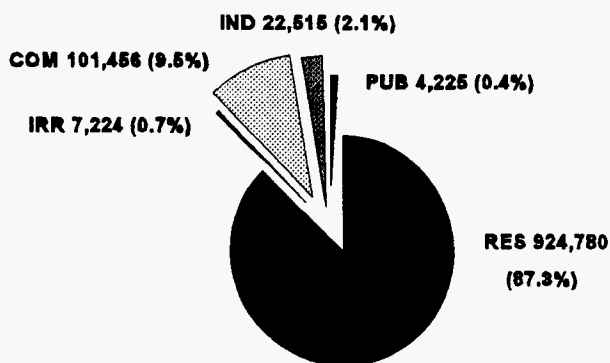
The Electric Section was assigned eighty-one new cases in 1994 in addition to the forty-three dockets the Electric Section was working on at the end of 1993. The majority of the dockets handled by the Electric Staff in 1994 were promotional practice filings (32), followed by miscellaneous tariff filings (28), utility dockets (17), and CCN's (8). In addition, the Electric Staff processed nine dockets involving customer releases (A), investigated seven formal complaints (C), and one docket (F) related to PURPA standards.

B. Electric Customers By Class

 The following chart is a graphic representation of the total number of retail electric customers in Arkansas as of December 31, 1993. The chart is divided into four parts to show the proportion for each group. As can easily be seen, residential customers are the largest group, representing 87.3% of all customers. Commercial customers are the next largest group at 9.5%, while industrial customers comprise 2.1% of the total.

Section 6. Electric Industry Summary

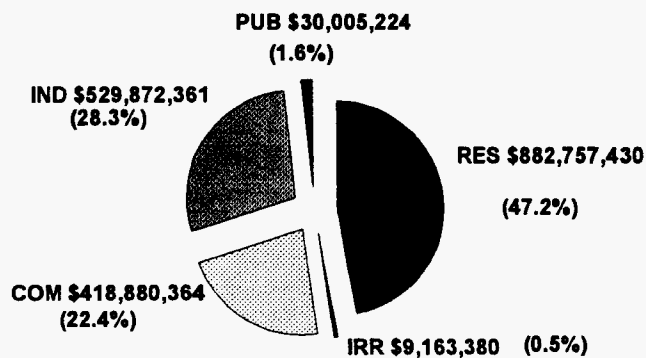
RETAIL ELECTRIC CUSTOMERS - 1993



C. Electric Revenues by Class

The following chart represents the retail electric revenues collected in Arkansas as of December 31, 1993. While residential customers represent 87.3% of all electric customers, they contribute only 47.2% of the total retail electric revenues. On the other hand, while the commercial and industrial classes comprise only 9.5% and 2.1% of the total number of electric customers, respectively, they provide 22.4 and 28.3% of the revenues. The other classes, irrigation and public authorities, contain only 1.1% of the customers, but those customers supply 2.1% of the total retail revenues.

RETAIL ELECTRIC REVENUES - 1993



Section 6. Electric Industry Summary

D. Statistical Summaries For Electric

ELECTRIC COMPANIES-ARKANSAS ONLY PLANT INVESTMENT; OPERATING REVENUES YEAR ENDED DECEMBER 31, 1993

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO(%) OPERATING REVENUE /INVEST.
Arkansas Electric Coop. Corp.	\$796,853,594	\$285,874,900	35.88%
Arkansas Power & Light Co.	\$4,434,936,847	\$1,643,971,412	37.07%
Arkansas Valley Electric Coop. Corp.	\$85,549,906	\$41,301,512	48.28%
Ashley-Chicot Electric Coop., Inc.	\$10,556,641	\$4,551,677	43.12%
C & L Electric Coop. Corp.	\$37,622,217	\$18,094,926	48.10%
Carroll Electric Coop. Corp.	\$111,515,486	\$50,757,313	45.52%
Clay County Electric Coop. Corp.	\$24,734,614	\$11,904,435	48.13%
Craighead Electric Coop. Corp.	\$50,871,571	\$23,628,233	46.45%
Empire District Electric Co., (The)	\$576,082,682	\$5,518,330	0.96%
Farmers Electric Coop. Corp.	\$10,834,137	\$5,603,403	51.72%
First Electric Coop. Corp.	\$115,749,679	\$68,013,126	58.76%
Mississippi County Electric Coop., Inc.	\$11,636,247	\$54,219,699	465.96%
North Arkansas Electric Coop., Inc.	\$67,698,971	\$30,750,455	45.42%
Oklahoma Gas and Electric Co.	\$3,318,818,744	\$113,527,386	3.42%
Ouachita Electric Coop. Corp.	\$28,204,904	\$15,217,980	53.96%
Ozarks Electric Coop. Corp.	\$74,863,837	\$33,370,410	44.57%
Petit Jean Electric Coop. Corp.	\$36,749,272	\$14,411,809	39.22%
Rich Mountain Electric Coop., Inc.	\$16,382,306	\$6,083,485	37.13%
South Central Ark. Electric Coop., Inc.	\$20,114,002	\$10,421,315	51.81%
Southwest Arkansas Electric Coop. Corp.	\$70,955,837	\$29,218,177	41.18%
Southwestern Electric Power Co.	\$2,609,663,980	\$174,280,330	6.68%
Woodruff Electric Coop. Corp.	\$57,195,407	\$20,959,581	36.65%
TOTALS	\$12,567,590,881	\$2,661,679,894	21.18%

Section 6. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE KWH PER CUSTOMER
ARKANSAS ELECTRIC COOPERATIVE CORPORATION					
Residential	0	0	\$0	\$0	0
Irrigation	0	0	\$0	\$0	0
Commercial	0	0	\$0	\$0	0
Industrial	0	0	\$0	\$0	0
Public Authority	0	0	\$0	\$0	0
Total Retail	0	0	\$0	\$0	0
Wholesale	16	7,083,054,000	\$285,831,474	\$17,864,467	442,690,875
Other Revenues	N/A	N/A	\$43,426	N/A	N/A
TOTAL	16	7,083,054,000	\$285,874,900	N/A	N/A

ARKANSAS POWER & LIGHT COMPANY

Residential	505,291	5,679,786,911	\$528,697,661	\$1,046	11,241
Irrigation	0	0	\$0	\$0	0
Commercial	63,531	4,067,258,267	\$306,738,324	\$4,828	64,020
Industrial	21,258	5,689,718,860	\$336,849,700	\$15,846	267,651
Public Authority	441	229,621,857	\$16,670,032	\$37,801	520,684
Total Retail	590,521	15,666,385,895	\$1,188,955,717	\$2,013	26,530
Wholesale	13	12,925,014,024	\$350,603,041	\$26,969,465	994,231,848
Other Revenues	N/A	N/A	\$104,412,654	N/A	N/A
TOTAL	590,534	28,591,399,919	\$1,643,971,412	N/A	N/A

ARKANSAS VALLEY ELECTRIC COOPERATIVE CORPORATION

Residential	32,933	412,505,761	\$30,190,655	\$917	12,526
Irrigation	0	0	\$0	\$0	0
Commercial	1,638	52,941,414	\$3,740,849	\$2,284	32,321
Industrial	9	168,685,552	\$6,671,103	\$741,234	18,742,839
Public Authority	466	5,181,375	\$382,984	\$822	11,119
Total Retail	35,037	639,314,102	\$40,985,591	\$1,170	18,247
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$315,921	N/A	N/A
TOTAL	35,046	639,314,102	\$41,301,512	N/A	N/A

Section 6. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE KWH PER CUSTOMER
ASHLEY-CHICOT ELECTRIC COOPERATIVE, INC.					
Residential	3,337	39,004,944	\$3,119,165	\$935	11,689
Irrigation	195	6,212,555	\$571,555	\$2,931	31,859
Commercial	778	8,848,189	\$800,979	\$1,030	11,373
Industrial	0	0	\$0	\$0	0
Public Authority	17	768,761	\$57,292	\$3,370	45,221
Total Retail	4,327	54,834,449	\$4,548,991	\$1,051	12,673
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$2,686	N/A	N/A
TOTAL	4,327	54,834,449	\$4,551,677	N/A	N/A

C & L ELECTRIC COOPERATIVE CORPORATION

Residential	15,327	167,772,203	\$13,943,672	\$910	10,946
Irrigation	485	2,895,234	\$363,189	\$749	5,970
Commercial	1,182	35,132,476	\$2,694,888	\$2,280	29,723
Industrial	3	5,198,400	\$378,452	\$126,151	1,732,800
Public Authority	350	4,182,585	\$340,296	\$972	11,950
Total Retail	17,347	215,180,898	\$17,720,497	\$1,022	12,405
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$374,429	N/A	N/A
TOTAL	17,347	215,180,898	\$18,094,926	N/A	N/A

CARROLL ELECTRIC COOPERATIVE CORPORATION

Residential	39,409	485,683,683	\$36,526,269	\$927	12,324
Irrigation	0	0	\$0	\$0	0
Commercial	2,367	112,580,996	\$7,623,174	\$3,221	47,563
Industrial	8	139,728,360	\$5,647,251	\$705,906	17,466,045
Public Authority	43	2,738,387	\$199,259	\$4,634	63,683
Total Retail	41,827	740,731,426	\$49,995,953	\$1,195	17,709
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$761,360	N/A	N/A
TOTAL	41,827	740,731,426	\$50,757,313	N/A	N/A

Section 6. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE KWH PER CUSTOMER
CLAY COUNTY ELECTRIC COOPERATIVE CORPORATION					
Residential	8,987	80,268,504	\$7,032,643	\$783	8,932
Irrigation	645	2,917,561	\$383,705	\$595	4,523
Commercial	981	33,257,911	\$2,750,951	\$2,804	33,902
Industrial	8	22,700,816	\$1,509,902	\$188,738	2,837,602
Public Authority	80	1,556,549	\$131,003	\$1,638	19,457
Total Retail	10,701	140,701,341	\$11,808,204	\$1,103	13,148
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$96,231	N/A	N/A
TOTAL	10,701	140,701,341	\$11,904,435	N/A	N/A

CRAIGHEAD ELECTRIC COOPERATIVE CORPORATION

Residential	17,679	209,345,594	\$16,860,826	\$954	11,841
Irrigation	982	10,518,953	\$1,012,946	\$1,032	10,712
Commercial	2,970	51,279,993	\$4,357,194	\$1,467	17,266
Industrial	6	21,213,970	\$1,282,816	\$213,803	3,535,662
Public Authority	27	450,594	\$39,773	\$1,473	16,689
Total Retail	21,664	292,809,104	\$23,553,555	\$1,087	13,516
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$74,678	N/A	N/A
TOTAL	21,664	292,809,104	\$23,628,233	N/A	N/A

EMPIRE DISTRICT ELECTRIC COMPANY, (THE)

Residential	2,586	26,684,821	\$1,484,297	\$574	10,319
Irrigation	0	0	\$0	\$0	0
Commercial	583	26,108,789	\$1,431,193	\$2,455	44,784
Industrial	7	51,668,656	\$1,919,770	\$274,253	7,381,237
Public Authority	75	4,797,917	\$212,940	\$2,839	63,972
Total Retail	3,251	109,260,183	\$5,048,200	\$1,553	33,608
Wholesale	1	25,501,000	\$408,008	\$408,008	25,501,000
Other Revenues	N/A	N/A	\$62,122	N/A	N/A
TOTAL	3,252	134,761,183	\$5,518,330	N/A	N/A

Section 6. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE KWH PER CUSTOMER
FARMERS ELECTRIC COOPERATIVE CORPORATION					
Residential	4,033	43,918,597	\$3,608,643	\$895	10,890
Irrigation	557	9,302,341	\$941,750	\$1,691	16,701
Commercial	372	12,853,430	\$945,993	\$2,543	34,552
Industrial	0	0	\$0	\$0	0
Public Authority	10	365,934	\$30,548	\$3,055	36,593
Total Retail	4,972	66,440,302	\$5,526,934	\$1,112	13,363
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$76,469	N/A	N/A
TOTAL	4,972	66,440,302	\$5,603,403	N/A	N/A

FIRST ELECTRIC COOPERATIVE CORPORATION

Residential	50,688	630,242,270	\$49,848,677	\$983	12,434
Irrigation	1,608	28,652,943	\$2,181,464	\$1,357	17,819
Commercial	1,570	101,558,025	\$6,478,202	\$4,126	64,687
Industrial	2	257,776,642	\$8,190,495	\$4,095,248	128,888,321
Public Authority	350	13,362,299	\$967,330	\$2,764	38,178
Total Retail	54,218	1,031,592,179	\$67,666,168	\$1,248	19,027
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$346,958	N/A	N/A
TOTAL	54,218	1,031,592,179	\$68,013,126	N/A	N/A

MISSISSIPPI COUNTY ELECTRIC COOPERATIVE, INC.

Residential	3,094	38,150,491	\$2,885,284	\$933	12,330
Irrigation	36	972,055	\$80,057	\$2,224	27,002
Commercial	340	12,126,613	\$785,532	\$2,310	35,667
Industrial	8	1,704,664,777	\$50,348,275	\$6,293,534	213,083,097
Public Authority	34	1,229,951	\$93,064	\$2,737	36,175
Total Retail	3,512	1,757,143,887	\$54,192,212	\$15,431	500,326
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$27,487	N/A	N/A
TOTAL	3,512	1,757,143,887	\$54,219,699	N/A	N/A

Section 6. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE KWH PER CUSTOMER
NORTH ARKANSAS ELECTRIC COOPERATIVE, INC.					
Residential	22,926	258,891,378	\$21,592,563	\$942	11,292
Irrigation	0	0	\$0	\$0	0
Commercial	1,783	68,462,118	\$4,894,190	\$2,745	38,397
Industrial	5	68,707,160	\$3,502,575	\$700,515	13,741,432
Public Authority	324	5,077,639	\$411,661	\$1,271	15,672
Total Retail	25,038	401,138,295	\$30,400,989	\$1,214	16,021
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$349,466	N/A	N/A
TOTAL	25,038	401,138,295	\$30,750,455	N/A	N/A

OKLAHOMA GAS and ELECTRIC COMPANY

Residential	48,158	568,038,564	\$34,432,913	\$715	11,795
Irrigation	0	0	\$0	\$0	0
Commercial	6,820	456,665,316	\$23,987,194	\$3,517	66,960
Industrial	451	847,530,731	\$30,987,618	\$68,709	1,879,226
Public Authority	863	89,225,354	\$4,912,699	\$5,693	103,390
Total Retail	56,292	1,961,459,965	\$94,320,424	\$1,676	34,844
Wholesale	19	516,181,012	\$18,933,683	\$996,510	27,167,422
Other Revenues	N/A	N/A	\$273,279	N/A	N/A
TOTAL	56,311	2,477,640,977	\$113,527,386	N/A	N/A

OUACHITA ELECTRIC COOPERATIVE CORPORATION

Residential	7,895	80,089,030	\$6,776,145	\$858	10,144
Irrigation	0	0	\$0	\$0	0
Commercial	879	51,133,703	\$4,247,049	\$4,832	58,173
Industrial	15	56,742,572	\$4,035,001	\$269,000	3,782,838
Public Authority	6	384,647	\$24,825	\$4,138	64,108
Total Retail	8,795	188,349,952	\$15,083,020	\$1,715	21,416
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$134,960	N/A	N/A
TOTAL	8,795	188,349,952	\$15,217,980	N/A	N/A

Section 6. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE KWH PER CUSTOMER
OZARKS ELECTRIC COOPERATIVE CORPORATION					
Residential	28,647	342,227,699	\$24,605,835	\$859	11,946
Irrigation	0	0	\$0	\$0	0
Commercial	281	12,475,403	\$829,602	\$2,952	44,396
Industrial	163	126,040,190	\$6,969,438	\$42,757	773,253
Public Authority	125	5,630,569	\$419,501	\$3,356	45,045
Total Retail	29,216	486,373,861	\$32,824,376	\$1,124	16,648
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$546,034	N/A	N/A
TOTAL	29,216	486,373,861	\$33,370,410	N/A	N/A
PETTIT JEAN ELECTRIC COOPERATIVE CORPORATION					
Residential	13,441	129,333,466	\$10,542,457	\$784	9,622
Irrigation	0	0	\$0	\$0	0
Commercial	1,098	33,432,273	\$2,485,941	\$2,264	30,448
Industrial	8	15,208,870	\$936,112	\$117,014	1,901,109
Public Authority	250	3,697,487	\$314,998	\$1,260	14,790
Total Retail	14,797	181,672,096	\$14,279,508	\$965	12,278
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$132,301	N/A	N/A
TOTAL	14,797	181,672,096	\$14,411,809	N/A	N/A
RICH MOUNTAIN ELECTRIC COOPERATIVE, INC.					
Residential	5,691	63,796,280	\$5,396,000	\$948	11,210
Irrigation	0	0	\$0	\$0	0
Commercial	233	8,076,873	\$659,277	\$2,830	34,665
Industrial	0	0	\$0	\$0	0
Public Authority	0	0	\$0	\$0	0
Total Retail	5,924	71,873,153	\$6,055,277	\$1,022	12,133
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$28,208	N/A	N/A
TOTAL	5,924	71,873,153	\$6,083,485	N/A	N/A

Section 6. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE KWH PER CUSTOMER
SOUTH CENTRAL ARKANSAS ELECTRIC COOPERATIVE, INC.					
Residential	7,890	77,543,903	\$6,179,243	\$783	9,828
Irrigation	2	110,905	\$12,032	\$6,016	55,453
Commercial	405	9,886,902	\$791,078	\$1,953	24,412
Industrial	4	77,028,956	\$3,371,524	\$842,881	19,257,239
Public Authority	9	165,044	\$14,825	\$1,647	18,338
Total Retail	8,310	164,735,710	\$10,368,702	\$1,248	19,824
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$52,613	N/A	N/A
TOTAL	8,310	164,735,710	\$10,421,315	N/A	N/A

SOUTHWEST ARKANSAS ELECTRIC COOPERATIVE CORPORATION

Residential	19,405	232,023,233	\$18,185,872	\$937	11,957
Irrigation	3	8,993	\$7,353	\$2,451	2,998
Commercial	1,676	62,799,539	\$4,959,365	\$2,959	37,470
Industrial	4	125,165,325	\$5,734,483	\$1,433,621	31,291,331
Public Authority	11	380,406	\$30,181	\$2,744	34,582
Total Retail	21,099	420,377,496	\$28,917,254	\$1,371	19,924
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$300,923	N/A	N/A
TOTAL	21,099	420,377,496	\$29,218,177	N/A	N/A

SOUTHWESTERN ELECTRIC POWER COMPANY

Residential	74,598	762,959,382	\$48,650,467	\$652	10,228
Irrigation	0	0	\$0	\$0	0
Commercial	11,349	648,654,336	\$34,742,102	\$3,061	57,155
Industrial	549	1,402,036,744	\$59,398,898	\$108,195	2,553,801
Public Authority	735	80,610,831	\$4,722,843	\$6,426	109,675
Total Retail	87,231	2,894,261,293	\$147,514,310	\$1,691	33,179
Wholesale	7	502,222,000	\$16,300,647	\$2,328,664	71,746,000
Other Revenues	N/A	N/A	\$10,465,373	N/A	N/A
TOTAL	87,238	3,396,483,293	\$174,280,330	N/A	N/A

Section 6. Electric Industry Summary

ELECTRIC COMPANIES - ARKANSAS ONLY CUSTOMERS; KWH SOLD; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	KWH SOLD	REVENUES	AVERAGE REV./PER CUSTOMER	AVERAGE KWH PER CUSTOMER
WOODRUFF ELECTRIC COOPERATIVE CORPORATION					
Residential	12,765	137,307,606	\$12,198,143	\$956	10,757
Irrigation	2,711	39,945,481	\$3,609,329	\$1,331	14,735
Commercial	620	37,621,723	\$2,937,287	\$4,738	60,680
Industrial	7	43,492,790	\$2,138,948	\$305,564	6,213,256
Public Authority	9	290,540	\$29,170	\$3,241	32,282
Total Retail	16,112	258,658,140	\$20,912,877	\$1,298	16,054
Wholesale	0	0	\$0	\$0	0
Other Revenues	N/A	N/A	\$46,704	N/A	N/A
TOTAL	16,112	258,658,140	\$20,959,581	N/A	N/A
Total Retail	1,060,191	27,743,293,727	\$1,870,678,759	\$1,764	26,168
TOTALS	1,060,247	48,795,265,763	\$2,661,679,894	N/A	N/A

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Telecommunications Industry Summary

A. Highlights of 1994

The telecommunications industry is in the midst of a series of rapid changes which began with the break-up of the AT&T System beginning in 1984 and is headed toward more competition in all aspects of the industry. As more and more pressure arises to open more aspects of the industry to competition, the Telecommunications Section has dealt with how to allow that competition to grow while providing adequate consumer safeguards during the transition phase. Additionally, in those areas of the industry which have already been opened to competition, the entry of competitors and the tariff changes those companies have made in response to the market have created a flood of dockets that must be addressed by the Telecommunications Section. The volume plus the issues associated with the shift toward competitive markets have provided opportunities and challenges.

The volume of telecommunications dockets jumped significantly in 1994. In 1993 there were 368 dockets initiated at the APSC. Of those, the Telecommunications Section had primary responsibility for 244. In 1994 there were 463 dockets initiated at the APSC and the Telecommunications Section had primary responsibility for 344. This amounts to a 41% increase in dockets assigned to the Telecommunications Section and it also reveals that the growth in dockets assigned to the Telecommunications Section is increasing faster than the growth in the total number of dockets. Moreover, these numbers do not reflect activity in dockets initiated in previous years which are still ongoing. Summaries of telecommunications cases which presented significant issues during 1994 are included below.

Docket No. 94-049-TF was filed by Sprint Corporation to offer incentives to Chenal Valley subdivision residents in Little Rock to test the capability of facilities placed by AP&L. The facilities were placed by AP&L for the primary purpose of monitoring and controlling electrical loads and gathering/providing billing and consumption information to AP&L customers regarding their electrical usage. The facilities also have the ability to provide telecommunications services. Sprint entered into an agreement with AP&L to run a trial of telecommunications service over those facilities and the trial was approved by the APSC in this Docket. The trial actually began on November 1, 1994 and is scheduled to run through October 31, 1995.

Docket No. 92-260-U is an earnings review of Southwestern Bell Telephone Co. (SWBT) which resulted in a Stipulation between Staff and SWBT. The Stipulation provided for certain rate reductions and \$231 million in increased investment in facilities in Arkansas. The investments will upgrade all SWBT customers to one-party service, serve all customers by digital switches, and establish a distance learning network, a rural medical network and up to sixteen fiber parks in SWBT territory. As a result of the Stipulation, SWBT has also begun to provide service in two areas which had not previously been allocated to any phone company. The residents of those areas now have phone service and one of the Commission's goals, universal service, has been furthered by that provision of the Stipulation. The

Section 7.

Telecommunications Industry Summary

Commission approved the Stipulation in February 1994. Throughout the year, Staff has been reviewing SWBT reports documenting the progress being made toward satisfying the provisions of the Stipulation. Staff will be filing an evaluation of SWBT's progress in the first quarter of 1995.

As an outgrowth of Docket No. 92-260-U, the Commission initiated Docket No. 94-169-U and ordered Staff to investigate and audit transactions between SWBT and its parent and affiliate companies to ensure that Arkansas ratepayers were not paying for any costs not associated with the provision of telephone service. The Staff spent seven weeks auditing SWBT's parent and affiliates in St. Louis, Missouri and San Antonio, Texas. In September, Staff filed an audit report detailing its findings. As a result of that audit and report, Staff and SWBT have agreed to a process under which a consultant will be selected by both parties and paid by SWBT. The consultant will work with the parties to identify ways in which SWBT's record keeping can be modified to make it more auditable and to suggest ways in which Staff can improve and make its audit procedures more efficient. A hearing was held in November 1994. A decision is pending in this matter.

Another result of competition in the telecommunications industry was the establishment of rules for competitive payphone providers by the Commission in Docket No. 93-035-R. These rules were finalized in February 1994 and several private payphone companies have applied for and been granted authority to provide service in Arkansas.

Docket No. 93-125-U was established to address several issues related to the provision of toll services in Arkansas. In 1994, the focus of that Docket was the issue of expanded local calling scopes/extended area service (EAS) and the need for relief from what customers perceived to be high short-haul toll rates. The Commission looked specifically at two areas; calling between Benton and Little Rock, and calling among the communities in Benton and Washington Counties. Two hearings were held, one in Little Rock and one in Fayetteville, to take comments from the public and hear evidence from the parties. The evidence revealed that there is not sufficient demand to establish EAS between Benton and Little Rock. After evaluating the evidence and comments from the Fayetteville hearing, the Commission decided to ballot all the customers in Benton and Washington Counties to determine if those customers would be willing to pay the additional costs associated with establishing EAS in northwest Arkansas. The proposal to establish EAS did not garner enough support from the ratepayers and the Commission ordered that the industry look for innovative ways to meet the calling needs of those customers who have regional calling needs.

Docket No. 94-201-R was established as a result of a petition by AT&T, MCI and Sprint seeking modification of the rules under which those companies are regulated. The companies proposed that they be allowed to change rates in a quicker, easier manner in order to better respond to competitive pressures and reduce regulatory costs. The Staff went a step further and recommended the elimination of the requirement that long distance companies

Section 7.

Telecommunications Industry Summary

keep tariffs on file with the Commission. The Staff believes that the interexchange toll market is a competitive market and that there is no need to continue traditional regulation of that market. A hearing was held in this Docket in October 1994 and the Commission is expected to rule on the matter in early 1995.

As a result of Staff's annual review of the earnings of local exchange companies operating in Arkansas, Staff initiated Docket No. 94-301-U to conduct an earnings review of GTE-Arkansas. After an audit and quality of service investigation, Staff and the company entered into an agreement by which GTE-Arkansas will upgrade its entire system to one-party service, replace electro-mechanical switches with new digital switching equipment and make certain rate reductions. The proposal has been filed by Staff and GTE-Arkansas and will be considered by the Commission in the first quarter of 1995.

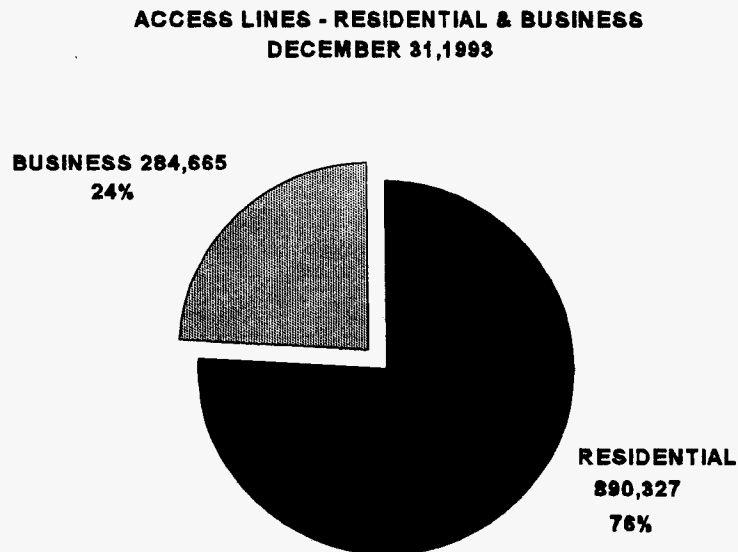
The local exchange companies in Arkansas made a filing in November 1994 to improve the optional toll calling plans they offer. Some of the changes made by the companies are a result of the public comments received in Docket No. 93-125-U and others are changes and improvements to respond to competitive pressures. The changes will save ratepayers millions of dollars while allowing them to choose from among a range of options without imposing any additional costs on customers who do not have toll calling needs.

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Telecommunications Industry Summary

B. Access Lines By Class

The pie chart shown below is a graphic representation of the number of access lines, by category, at the end of 1993. Total access lines on December 31, 1993 were 1,174,992. Of that total 76% were residential and 24% were business. Residential access lines increased from 864,164 at the end of 1992 to 890,327 at the end of 1993. Business lines increased from 263,049 in 1992 to 284,665 at the end of 1993.



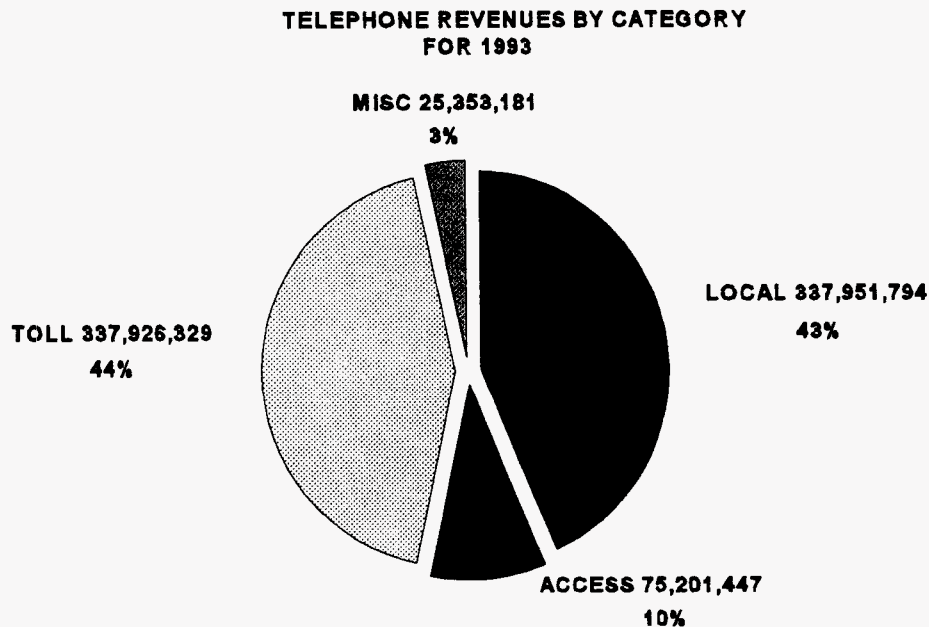
Section 7.

Telecommunications Industry Summary

C. Telephone Revenues by Category

The following pie chart depicts the various revenue sources for local exchange companies and for AT&T during 1993. Total intrastate telephone industry revenues in Arkansas for 1993 were \$776,432,751. Local Service revenue made up approximately 43% of that total or \$337,951,794.

Toll revenue made up 44% of the total or \$337,926,329. Access charges generated revenues of \$75,201,447. The industry also had miscellaneous revenues of \$25,353,181.



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Telecommunications Industry Summary

D. Statistical Summaries For Telecommunications

TELEPHONE COMPANIES-ARKANSAS ONLY TELEPHONE INVESTMENT; OPERATING REVENUES YEAR ENDED DECEMBER 31, 1993

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO(%) OPERATING REVENUE /INVEST.
AT&T Communications of The Southwest, Inc.	\$64,545,430	\$186,391,373	288.78%
ALLTEL Arkansas, Inc.	\$211,323,820	\$54,698,281	25.88%
Arkansas Telephone Co., Inc.	\$13,116,179	\$3,678,478	28.05%
Caddoan Telephone Co.	\$206,953	\$311,375	150.46%
Central Arkansas Telephone Coop., Inc.	\$5,446,875	\$1,782,694	32.73%
Century Telephone of Arkansas, Inc.	\$40,090,916	\$14,558,498	36.31%
Cleveland County Telephone Co., Inc.	\$8,685,723	\$2,624,950	30.22%
Decatur Telephone Co., Inc.	\$2,407,627	\$1,034,995	42.99%
E. Ritter Telephone Company	\$7,610,754	\$3,081,219	40.49%
GTE Arkansas, Inc.	\$211,139,903	\$76,725,104	36.34%
GTE Midwest, Inc.	\$1,974,609	\$782,079	39.61%
GTE Southwest, Inc.	\$191,911,831	\$56,729,479	29.56%
Lavaca Telephone Co., Inc.	\$2,225,155	\$862,540	38.76%
Madison County Telephone Co., Inc.	\$8,002,913	\$2,281,062	28.50%
Magazine Telephone Co., Inc.	\$2,146,843	\$633,806	29.52%
Mountain Home Telephone Co., Inc.	\$36,660,027	\$11,482,486	31.32%
Mountain View Telephone Co.	\$9,510,622	\$3,098,600	32.58%
Northern Arkansas Telephone Co., Inc.	\$12,373,861	\$4,432,481	35.82%
Perco Telephone Co.	\$9,897,689	\$3,353,677	33.88%
Prairie Grove Telephone Co.	\$12,324,154	\$4,348,610	35.29%
Redfield Telephone Co., Inc.	\$3,646,301	\$1,420,796	38.97%

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Telecommunications Industry Summary

TELEPHONE COMPANIES-ARKANSAS ONLY TELEPHONE INVESTMENT; OPERATING REVENUES YEAR ENDED DECEMBER 31, 1993

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO(%) OPERATING REVENUE /INVEST.
Rice Belt Telephone Co., Inc.	\$2,536,706	\$869,005	34.26%
Scott County Telephone Co., Inc.	\$1,446,439	\$388,030	26.83%
South Arkansas Telephone Co., Inc.	\$7,994,412	\$2,473,814	30.94%
Southwest Ark. Telephone Coop., Inc.	\$14,978,825	\$4,478,453	29.90%
Southwestern Bell Telephone Co.	\$1,701,647,902	\$524,903,826	30.85%
Tri-County Telephone Co., Inc.	\$16,091,678	\$4,080,896	25.36%
Union Telephone Co., Inc.	\$3,983,273	\$1,204,790	30.25%
Walnut Hill Telephone Co.	\$14,489,947	\$5,919,599	40.85%
Yelcot Telephone Co., Inc.	\$9,410,016	\$3,208,880	34.10%
Yell County Telephone Co.	\$9,296,910	\$3,105,452	33.40%
TOTALS	\$2,637,124,293	\$984,945,328	37.35%

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Telecommunications Industry Summary

TELEPHONE COMPANIES-ARKANSAS ONLY ACCESS LINES YEAR ENDED DECEMBER 31, 1993

COMPANY		ACCESS LINES
AT&T Communications of the Southwest, Inc.	Business	N/A
	Residential & Rural	N/A
	Total	N/A
ALLTEL Arkansas, Inc	Business	11,666
	Residential & Rural	<u>64,960</u>
	Total	76,626
Arkansas Telephone Company, Inc.	Business	916
	Residential & Rural	<u>5,459</u>
	Total	6,375
Caddoan Telephone Company	Business	39
	Residential & Rural	<u>276</u>
	Total	315
Central Arkansas Telephone Cooperative, Inc.	Business	179
	Residential & Rural	<u>2,212</u>
	Total	2,391
Century Telephone of Arkansas, Inc.	Business	2,143
	Residential & Rural	<u>12,968</u>
	Total	15,111
Cleveland County Telephone Company, Inc.	Business	365
	Residential & Rural	<u>2,460</u>
	Total	2,825
Decatur Telephone Company, Inc.	Business	444
	Residential & Rural	<u>687</u>
	Total	1,131
E. Ritter Telephone Company	Business	532
	Residential & Rural	<u>3,487</u>
	Total	4,019
GTE Arkansas, Inc.	Business	15,998
	Residential & Rural	<u>84,238</u>
	Total	100,236

Section 7.

Telecommunications Industry Summary

TELEPHONE COMPANIES-ARKANSAS ONLY ACCESS LINES YEAR ENDED DECEMBER 31, 1993

COMPANY	ACCESS LINES	
GTE Midwest, Inc.	Business	137
	Residential & Rural	<u>894</u>
	Total	1,031
GTE Southwest, Inc.	Business	10,293
	Residential & Rural	<u>64,894</u>
	Total	75,187
Lavaca Telephone Company, Inc.	Business	141
	Residential & Rural	<u>1,206</u>
	Total	1,347
Madison County Telephone Company, Inc.	Business	643
	Residential & Rural	<u>2,340</u>
	Total	2,983
Magazine Telephone Company, Inc.	Business	78
	Residential & Rural	<u>771</u>
	Total	849
Mountain Home Telephone Company, Inc.	Business	2,962
	Residential & Rural	<u>14,031</u>
	Total	16,993
Mountain View Telephone Company	Business	895
	Residential & Rural	<u>4,394</u>
	Total	5,289
Northern Arkansas Telephone Company, Inc.	Business	732
	Residential & Rural	<u>4,927</u>
	Total	5,659
Perco Telephone Company	Business	420
	Residential & Rural	<u>3,179</u>
	Total	3,599
Prairie Grove Telephone Company	Business	861
	Residential & Rural	<u>6,280</u>
	Total	7,141

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Telecommunications Industry Summary

TELEPHONE COMPANIES-ARKANSAS ONLY ACCESS LINES YEAR ENDED DECEMBER 31, 1993

COMPANY		ACCESS LINES
Redfield Telephone Company, Inc.	Business	153
	Residential & Rural	<u>1,414</u>
	Total	1,567
Rice Belt Telephone Company, Inc.	Business	315
	Residential & Rural	<u>790</u>
	Total	1,105
Scott County Telephone Company, Inc.	Business	2
	Residential & Rural	<u>111</u>
	Total	113
South Arkansas Telephone Company, Inc.	Business	390
	Residential & Rural	<u>2,794</u>
	Total	3,184
Southwest Arkansas Telephone Cooperative, Inc.	Business	337
	Residential & Rural	<u>4,150</u>
	Total	4,487
Southwestern Bell Telephone Company	Business	231,530
	Residential & Rural	<u>585,988</u>
	Total	817,518
Tri-County Telephone Company, Inc.	Business	551
	Residential & Rural	<u>4,721</u>
	Total	5,272
Union Telephone Company, Inc.	Business	69
	Residential & Rural	<u>557</u>
	Total	626
Walnut Hill Telephone Company	Business	627
	Residential & Rural	<u>4,079</u>
	Total	4,706
Yelcot Telephone Company, Inc.	Business	460
	Residential & Rural	<u>2,464</u>
	Total	2,924

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Telecommunications Industry Summary

TELEPHONE COMPANIES-ARKANSAS ONLY ACCESS LINES YEAR ENDED DECEMBER 31, 1993

COMPANY	ACCESS LINES
Yell County Telephone Company	Business 787
	Residential & Rural <u>3,596</u>
	Total 4,383

TOTAL ACCESS LINES IN ARKANSAS 1,174,992

Section 8.

Water & Sewer Industry Summary

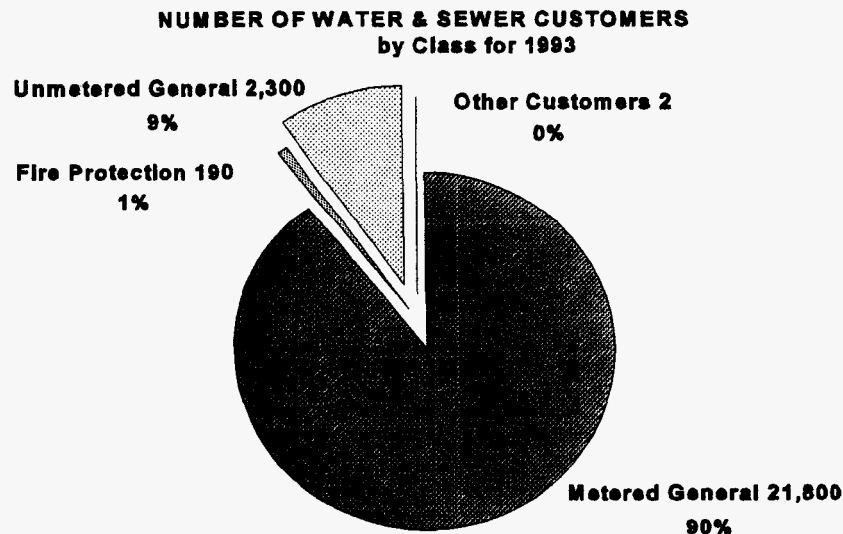
A. Highlights of 1994

■ In 1994, the State's largest local water distribution company filed an application requesting approval to increase its rates for water service. That company's request is currently being reviewed by Staff.

Also during 1994, the only publicly owned sewer utility regulated by the Commission requested a change in its tariffs concerning back-flow preventers. Staff presented expert testimony in the docket and recommended, after certain modifications, that the tariffs be approved.

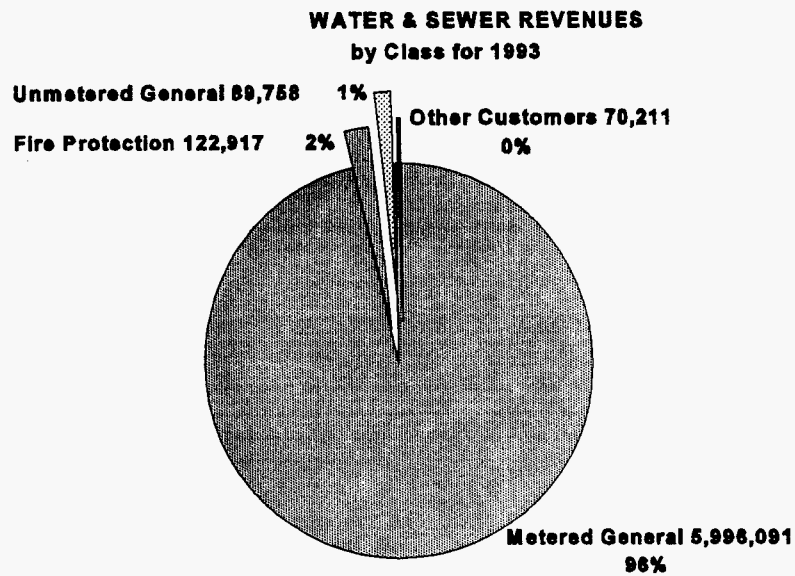
B. Water Customers and Sales Revenues By Class

■ The graph below and the one on the following page show: 1) the percentage of water and sewer customers by class (metered general, unmetered general, fire protection and other); and, 2) the corresponding percentage of sales revenue by customer class. As can be seen in comparing the two graphs, metered general customers account for 90% of all customers and sales to those customers represent a little more than 96% of all sales revenue.



Section 8.

Water & Sewer Industry Summary



Section 8.

Water & Sewer Industry Summary

C. Statistical Summaries for Water & Sewer

WATER & SEWER COMPANIES - ARKANSAS ONLY PLANT INVESTMENT; OPERATING REVENUES YEAR ENDED DECEMBER 31, 1993

COMPANY	PLANT INVESTMENT	OPERATING REVENUES	RATIO (%) OPERATING REVENUE /INVEST.
Central Ark. Sewer System General Waterworks Corp. of Pine Bluff, Ark., Inc.	\$367,850	\$234,597	63.78%
Riviera Utilities of Ark., Inc.	\$21,516,006	\$5,545,445	25.77%
Shumaker Pub. Service Corp.	\$762,663	\$219,014	28.72%
	\$757,204	\$279,921	36.97%
TOTALS	\$23,403,723	\$6,278,977	26.83%

Section 8.

Water & Sewer Industry Summary

WATER & SEWER COMPANIES - ARKANSAS ONLY CUSTOMERS; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	<u>NO. OF CUSTOMERS</u>	<u>REVENUES</u>	<u>AVERAGE REVENUE/PER CUSTOMER</u>
CENTRAL ARKANSAS SEWER SYSTEM			
Metered General	1,305	\$234,597	\$180
Unmetered General	0	\$0	\$0
Fire Protection	0	\$0	\$0
Other Customers	0	\$0	\$0
Totals without			
Other Revenues	1,305	\$234,597	\$180
Other Revenues	N/A	\$0	N/A
TOTALS	1,305	\$234,597	N/A
GENERAL WATERWORKS CORPORATION OF PINE BLUFF, ARKANSAS, INC.			
Metered General	19,657	\$5,488,711	\$279
Unmetered General	0	\$0	\$0
Fire Protection	150	\$67,743	\$452
Other Customers	0	\$0	\$0
Totals without			
Other Revenues	19,807	\$5,556,454	\$281
Other Revenues	N/A	(\$11,009)	N/A
TOTALS	19,807	\$5,545,445	N/A
RIVIERA UTILITIES OF ARKANSAS, INC.			
Metered General	315	\$124,864	\$396
Unmetered General	2,300	\$89,758	\$39
Fire Protection	0	\$0	\$0
Other Customers	0	\$0	\$0
Totals without			
Other Revenues	2,615	\$214,622	\$82
Other Revenues	N/A	\$4,392	N/A
TOTALS	2,615	\$219,014	N/A

Section 8.

Water & Sewer Industry Summary

WATER & SEWER COMPANIES - ARKANSAS ONLY CUSTOMERS; REVENUES; OTHER STATISTICS YEAR ENDED DECEMBER 31, 1993

	NO. OF CUSTOMERS	REVENUES	AVERAGE REVENUE/PER CUSTOMER
SHUMAKER PUBLIC SERVICE CORPORATION			
Metered General	523	\$147,919	\$283
Unmetered General	0	\$0	\$0
Fire Protection	40	\$55,174	\$1,379
Other Customers	2	\$75,970	\$37,985
Totals without			
Other Revenues	565	\$279,063	\$494
Other Revenues	N/A	\$858	N/A
TOTALS	565	\$279,921	N/A
Totals without			
Other Revenues	24,292	\$6,284,736	\$259
TOTALS	24,292	\$6,278,977	N/A

Section 9. Federal Agency Activity

The APSC's activity at federal regulatory agencies was marked by continued involvement in utilities' mergers and other proceedings in which costs were being allocated to Arkansas ratepayers. Many of the issues addressed by the APSC were a result of the continuing transition from a regulated energy environment to a competitive energy market. A summary of the more significant proceedings follows.

Federal Energy Regulatory Commission

RS92-3-000 Arkla Energy Resources Company

On October 1, 1992, Arkla Energy Resources Company (AER) made this filing in compliance with FERC's Order 636. Order 636 required a restructuring of interstate pipeline services. The APSC, together with the Louisiana Public Service Commission (LPSC), intervened and filed a protest and comments in response to AER's initial and subsequent revised Order 636 compliance filings. The protest and comments supported positions aimed at preventing major cost shifts to Arkansas Louisiana Gas Company (ALG) ratepayers. AER's revised Order 636 rates became effective September 1, 1993. The APSC requested rehearing of FERC's orders on AER's Order 636 compliance filings and the APSC's requests for federal court review of FERC's orders are pending before the Court of Appeals.

RP93-3-000 Arkla Energy Resources Company

On October 1, 1992, AER requested a \$61 million rate increase in this companion filing to the case in RS92-3-000. The APSC and LPSC intervened, protested this filing, and participated in the negotiations which led to a Phase I settlement. On May 19, 1994, FERC issued an order approving a Phase II settlement which resolved all remaining issues in this proceeding. The Phase I settlement rates resulted in a \$24.6 million reduction in the cost of service in AER's October 1, 1992, rate case filing and refunds credits to ALG's Arkansas customers. The Phase II settlement resulted in a further \$3.7 million reduction in AER's as-filed cost of service.

RP94-343-000 NorAm Gas Transmission Company

On August 1, 1994, NorAm Gas Transmission Company (NGT), formerly AER, requested a \$42.5 million rate increase. The APSC and LPSC intervened and protested both NGT's change from non-distance sensitive rates to distance sensitive rates and NGT's

Section 9. Federal Agency Activity

additive surcharge for on-system customers. This case is pending at FERC and a hearing is scheduled for August 8, 1995.

EL94-13-000 Entergy System Agreement Treatment of Extended Reserve Shutdown Units

The FERC's order approving the Entergy/Gulf States Utilities Company merger also set for hearing the issue of whether the System Agreement allowed the inclusion of generating units in Extended Reserve Shutdown status in the calculation of Reserve Equalization payments. The APSC has taken the position that the units of the pre-merger Entergy utilities should be included in order to preserve the cushion of benefits resulting from the merger and because the units were planned for the benefit of the system as a whole. The units are projected to come back into service over the next few years. A hearing on this matter was held in October 1994.

EC94-7-000/ER94-898-000 Central and South West Corporation/El Paso Electric Company Merger

In January 1994, after the Bankruptcy Court approved the plan in December 1993, Central and South West Corporation (CSW) filed for approval to merge with El Paso Electric Company. CSW also filed an Amendment to its Operating Agreement among its utility subsidiaries, which equalizes certain shared generation and transmission costs and sets rates for off-system purchases and sales and for economy energy exchanges among the utility subsidiaries. In February 1994, the APSC filed a petition to intervene, protest, and request for hearing, citing concerns with the effect on ratepayers of the merger, which would bring EPEC out of bankruptcy. Specifically, the APSC cited the potential for increased risks and costs, questioned the projected benefits from the merger, and objected to the majority of benefits accruing to EPEC. The FERC issued an order in August 1994 setting the merger for hearing. Testimony was filed in November and December 1994, and a hearing was held in January 1995. The APSC reached an agreement with Central & South West Corporation in January resolving the issues raised by the APSC in its testimony. (SWEPCO is a utility subsidiary of CSW.)

FA89-28-000 FERC Audit of System Energy Resources, Inc.

In 1991, a hearing was held on the issue of the accounting treatment of investment tax credits associated with the Grand Gulf nuclear unit, owned by SERI, 35% of which were permanently eliminated by the Tax Reform Act of 1986. SERI had added the \$95 million to Grand Gulf's plant account, resulting in payment by AP&L's, LP&L's, MP&L's, and NOPSI's ratepayers for the lost investment tax credits. In August 1992, the FERC upheld

Section 9. Federal Agency Activity

the ALJ's determination that the accounting treatment resulted in unjust and unreasonable rates. In October 1992, the U.S. Supreme Court ruled in Ohio Power Co. v. FERC that the FERC's establishment of just and reasonable wholesale rates must give way to the SEC's cost-based pricing for transactions among affiliates of a registered holding company, which prompted SERI to petition FERC for rehearing. A Settlement Agreement was reached in this case in September 1994 resulting in refunds and a reduction in billings for Arkansas ratepayers.

ER91-569-000 Entergy Operating Companies/Entergy Power, Inc. Open Access
Transmission Tariffs and Capacity Sales at Market-Based Rates

In May 1994, the U.S. Court of Appeals, D.C. Circuit, remanded the decision approving Entergy's open access transmission tariffs to the FERC on the issue of the inclusion of stranded investment cost. The tariffs included a provision to charge a transmission customer a fee for leaving Entergy's system. The FERC ordered Entergy to file new tariffs including the comparability standard by October 31, 1994, but has not indicated how it will address the stranded investment issue.

Southwest Power Pool - Regional Transmission Group

The Arkansas Commission is participating with the other retail regulators of the member utilities of the Southwest Power Pool (SPP) in SPP's efforts to form a Regional Transmission Group (RTG). The regulators' activities to date have focused on the principles necessary to effectuate an efficient wholesale market in the region and the appropriate governance of the RTG. The SPP plans to make its filing before the FERC in May 1995.

Securities and Exchange Commission

70-7947/70-8002/70-8010 Entergy Investment in Argentina Generation and Distribution and in Systems and Service International, Inc.

In October 1992, the APSC, the City of New Orleans, and the Mississippi Public Service Commission entered into a Settlement Agreement with Entergy addressing concerns about the potential adverse impact of Entergy's diversification into non-utility and foreign utility businesses on ratepayers - specifically, increased risk and potential subsidization. The APSC, CNO, and MPSC filed a petition for enforcement of the provisions of the Settlement

Section 9. Federal Agency Activity

Agreement with the SEC in May 1994. The Entergy regulators have been meeting with Entergy since the agreement was reached to develop a filing for SEC approval which implements the cost-plus 5% pricing of services provided by the regulated utility subsidiaries to the nonregulated businesses, which represents a departure from the SEC's rules that transactions among affiliates be at cost. In August 1994, pursuant to the terms of the Settlement Agreement, the Entergy regulators also prepared a Request for Proposal for an audit of transactions during 1992-1994 between the regulated utilities and nonregulated businesses, which is being reviewed by Entergy.

Federal Communications Commission

CC Docket No. 80-286 Separations Issues Before the Joint Board

In August, 1994, the FCC released a Notice of Inquiry that focused on a possible restructuring of the High Cost Fund and the continued weighing of certain allocation factors. Arkansas Local Exchange Carriers currently receive \$37.5 million from the HCF. However, in an increasingly competitive environment, the continued need for these funds is in question. Comments were filed by the Commission supporting the FCC effort to restructure the HCF.

Federal Dockets on Appeal

DCC94-1458 State of Michigan, et al, v. U.S. Department of Energy

In June 1994, a group consisting of numerous states, state public service commissions, and utilities owning nuclear generating units filed for enforcement of the U.S. Department of Energy's (U.S. DOE) obligation to begin accepting high-level radioactive waste for storage by 1998, pursuant to the Nuclear Waste Policy Act of 1982 and its 1987 Amendments. The APSC is a joint petitioner in this case. Under the Nuclear Waste Policy Act, nuclear utilities, such as AP&L and SERI, have been collecting funds from ratepayers which go directly to the U.S. DOE for the development of a permanent waste repository. The lawsuit was prompted by the long history of setbacks in the program, coupled with the fact that many nuclear utilities are running out of reactor pool storage space and will be forced to build on-site waste storage facilities at additional cost to ratepayers.

Section 10.

Commission Review of Utility Operations

A. Informal Customer Inquiries and Complaints

During 1994, 38,881 Arkansas customers contacted the Commission's Consumer Services Office regarding utility issues. Of those 38,881 contacts, 1,535 were classified as complaints. The other 37,346 contacts fall into several general categories:

- * calls requesting information or referrals - (14%);
- * calls referred to utility companies because the customer had not tried to resolve the complaint before contacting the PSC - (61%);
- * calls from customers and utilities concerning potential, open and closed complaints - (4%);
- * administrative/other calls - (14%); and,
- * lost calls - calls which are terminated by the calling party (3%).

Although complaints represent only 4% of all contacts through Consumer Services, they require significant amounts of time and resources. Complaints involve numerous contacts with utility personnel and Staff members as well as extensive research to ensure compliance with Commission rules and approved tariffs. Many also require additional technical analysis, field investigation, and written reports.

Staff members resolved many issues through individual complaints during 1994 which ultimately affected large numbers of Arkansas customers. Some examples of those issues are:

- * refusal to enter delayed payment agreements;
- * installation delays resulting from estimated service dates based on average time instead of customer facilities;
- * poor service quality; and,
- * unauthorized switches of long distance carriers.

From 1988 through 1992, the trend of complaints was downward. That trend changed in 1993 with the number of complaints increasing for each type of utility. Billing complaints continue to make up the greatest portion of complaints for each utility. Complaints regarding service quality rose in 1994 for each type of utility except water. Complaints concerning obtaining service rose for each type of utility except natural gas.

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Commission Review of Utility Operations

MAJOR CATEGORY COMPLAINT SUMMARY BY INDUSTRY YEAR ENDED DECEMBER 31, 1994

WRITTEN COMPLAINTS

TYPE	TELEPHONE	ELECTRIC	GAS	WATER	TOTAL
Billing	67	42	14	1	124
Service Quality	53	22	3	0	78
Service Requests	18	4	0	0	22
SUBTOTALS	138	68	17	1	224

VERBAL COMPLAINTS

TYPE	TELEPHONE	ELECTRIC	GAS	WATER	TOTAL
Billing	276	342	131	6	755
Service Quality	158	107	13	0	278
Service Requests	154	101	23	0	278
SUBTOTALS	588	550	167	6	1,311
TOTALS	726	618	184	7	1,535

Documentation of several new items began in 1987 for each complaint. Using the new fields of information, complaints are now analyzed in a variety of ways. Complaint issues are identified more specifically both for utility industry groups and for individual utilities. The following charts and tables use the information to provide analyses which should be useful both to regulated utilities and to their customers.

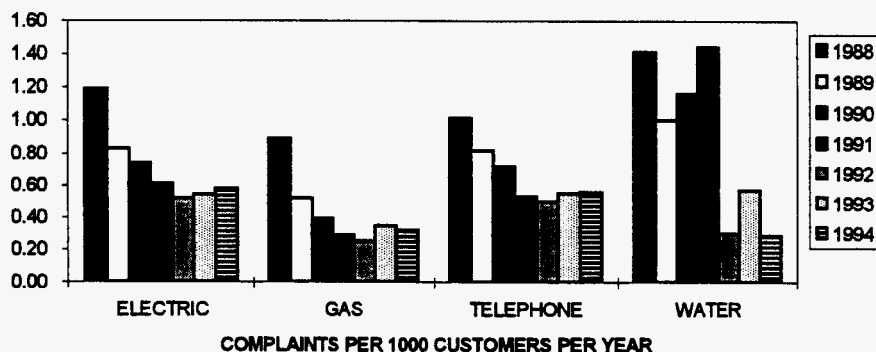
Section 10.

Commission Review of Utility Operations

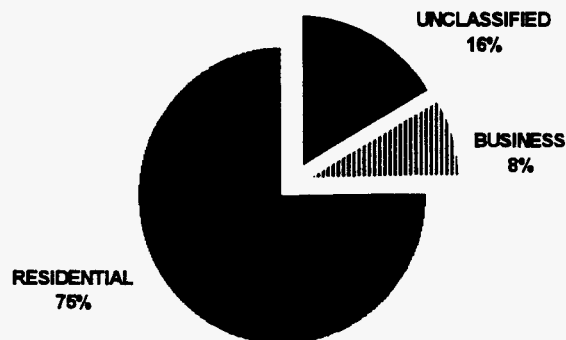
The following pages represent annual trends (bar graphs) and analyses of 1994 consumer complaints processed by the Consumer Services Office of the Arkansas Public Service Commission.

The first chart on this page displays the ratio of consumer complaints per 1000 customers for each industry during the years 1988 through 1994. The second chart shows the 1994 percentages of complaints for each customer class.

TREND OF COMPLAINTS FOR 1988 THRU 1994



1994 COMPLAINTS PER CUSTOMER CLASS

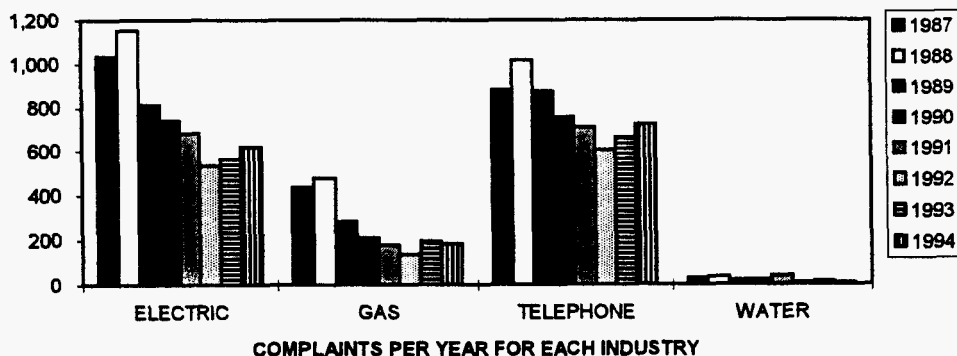


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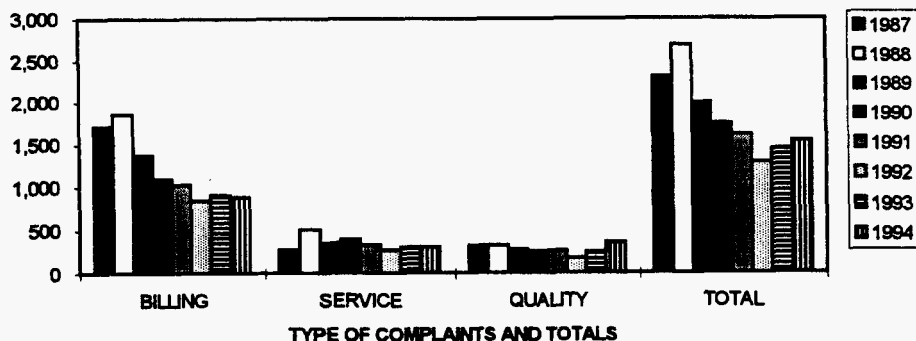
Commission Review of Utility Operations

The first chart on this page shows the trend of total complaints by utility industry for the years 1987 through 1994. The second chart separates the complaint totals by type of complaint (rather than by industry) for 1987-1994. Complaints are categorized as Billing, Quality (of service), and Service (applications).

TREND OF COMPLAINTS BY UTILITY INDUSTRY



TOTAL COMPLAINTS BY COMPLAINT TYPE



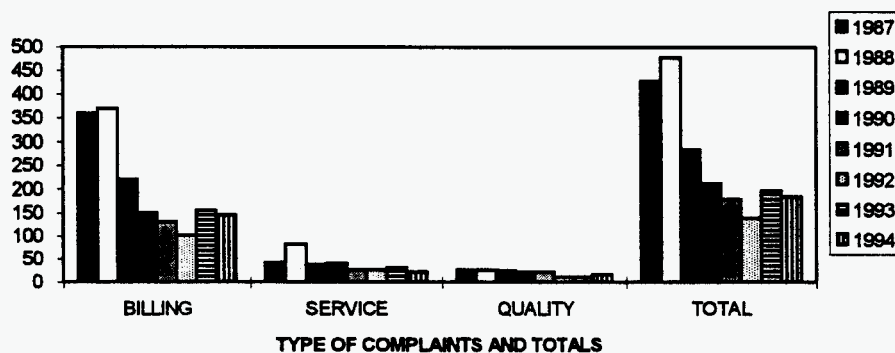
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The charts on the following two pages separate complaint data into the gas, electric, telephone, and water industry groups.

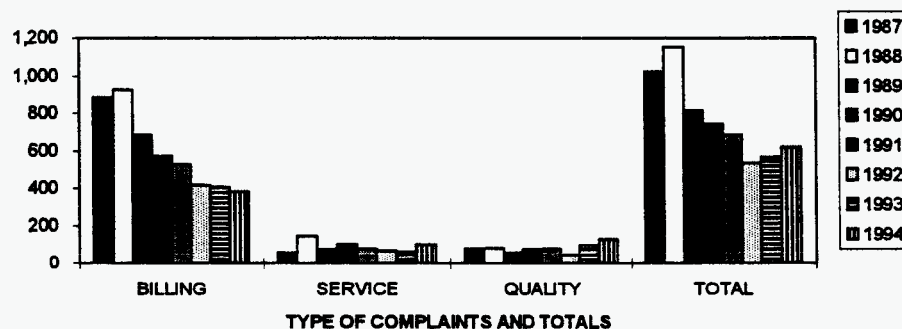
GAS COMPLAINTS

TREND OF CONSUMER COMPLAINTS BY TYPE FOR GAS INDUSTRY



ELECTRIC COMPLAINTS

TREND OF CONSUMER COMPLAINTS BY TYPE FOR ELECTRIC INDUSTRY

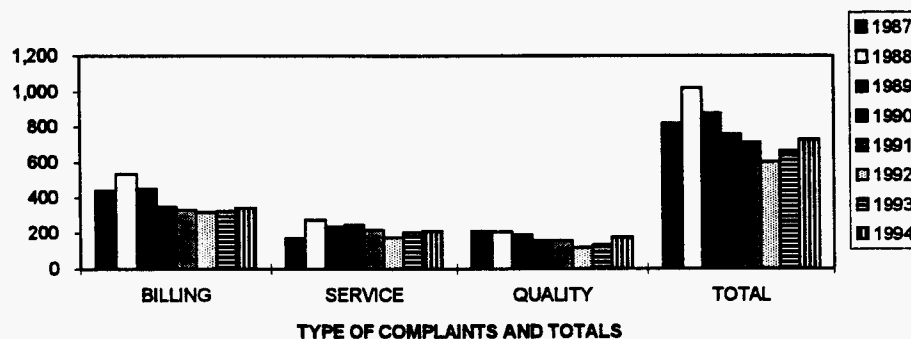


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Commission Review of Utility Operations

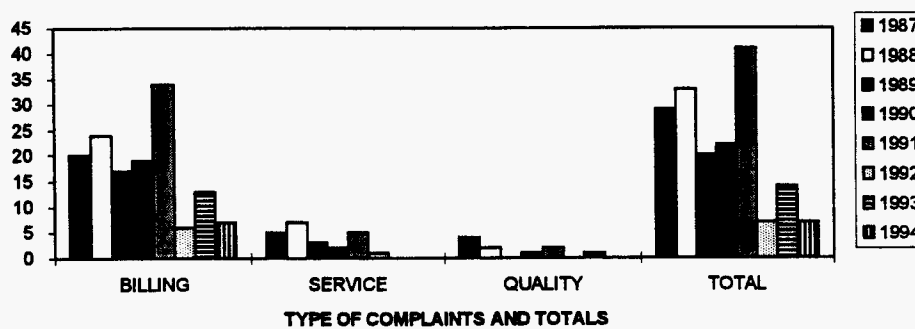
TELEPHONE COMPLAINTS

TREND OF CONSUMER COMPLAINTS BY TYPE FOR TELEPHONE INDUSTRY



WATER COMPLAINTS

TREND OF CONSUMER COMPLAINTS BY TYPE FOR WATER INDUSTRY



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Commission Review of Utility Operations

The tables on the following pages are a comparison of customer complaints per 1000 customers by company and industry. These tables also show whether the company action that resulted in the complaint was taken in accordance with the Commission's Rules, or was modified to be more favorable to the customer.

Electric Company Name	Arkansas Customers	Complaints To APSC	Company Action Correct	Company Action Incorrect	Company Action Modified	Misc.	Complaints Per 1000 Customers	Complaints Ratio To Average
Ark. Electric Coop. Corp.	16	0	0	0	0	0	0.00	0.00
Ark. Power & Light Co.	590,534	457	251	56	130	20	0.77	1.33
Ark. Valley Electric Coop.	35,046	9	6	0	3	0	0.26	0.44
Ashley-Chicot Electric Coop.	4,327	3	0	2	1	0	0.69	1.19
C & L Electric Coop.	17,347	14	10	1	3	0	0.81	1.38
Carroll Electric Coop. Corp.	41,827	25	13	4	7	1	0.60	1.03
Clay County Electric Coop. Corp.	10,701	4	2	0	2	0	0.37	0.64
Craighead Electric Coop. Corp.	21,664	10	5	1	3	1	0.46	0.79
Empire District Electric Co.	3,252	1	1	0	0	0	0.31	0.53
Farmers Electric Coop. Corp.	4,972	0	0	0	0	0	0.00	0.00
First Electric Coop. Corp.	54,218	41	21	6	12	2	0.76	1.30
Mississippi County Elec. Coop., Inc.	3,512	0	0	0	0	0	0.00	0.00
North Ark. Electric Coop., Inc.	25,038	5	5	0	0	0	0.20	0.34
Oklahoma Gas and Electric Co.	56,311	7	3	2	2	0	0.12	0.21
Ouachita Electric Coop. Corp.	8,795	2	1	1	0	0	0.23	0.39
Ozarks Electric Coop. Corp.	29,216	9	6	0	2	1	0.31	0.53
Petit Jean Electric Coop. Corp.	14,797	6	5	0	1	0	0.41	0.70
Rich Mountain Elec. Coop., Inc.	5,924	0	0	0	0	0	0.00	0.00
South Central Ark. Elec. Coop.	8,310	3	3	0	0	0	0.36	0.62
Southwest Ark. Elec. Coop. Corp.	21,099	7	4	1	2	0	0.33	0.57
Southwestern Electric Power Co.	87,238	11	6	2	3	0	0.13	0.22
Woodruff Electric Coop. Corp.	16,112	4	4	0	0	0	0.25	0.43
TOTALS AND AVERAGE	1,060,256	618	346	76	171	25	0.58	1.00

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Commission Review of Utility Operations

Gas Utility Company Name	Arkansas Customers	Complaints To APSC	Company Action Correct	Company Action Incorrect	Company Action Modified	Misc.	Complaints Per 1000 Customers	Complaints Ratio To Average
Ark. Louisiana Gas Co.	415,116	142	72	10	54	6	0.34	1.07
Ark. Oklahoma Gas Corp.	42,457	8	5	1	2	0	0.19	0.59
Ark. Western Gas Co. (Includes Assoc. Natural Gas Co.)	110,777	33	16	5	9	3	0.30	0.93
Louisiana - Nevada Transit Co.	1,837	1	0	0	1	0	0.54	1.70
NGI Arkansas Gathering	NA	0	0	0	0	0	0.00	0.00
NOARK Pipeline System	NA	0	0	0	0	0	0.00	0.00
Union Gas Company of Ark.	2,752	0	0	0	0	0	0.00	0.00
TOTALS AND AVERAGE	572,939	184	93	16	66	9	0.32	1.00

Water/Sewer Utility Company Name	Arkansas Customers	Complaints To APSC	Company Action Correct	Company Action Incorrect	Company Action Modified	Misc.	Complaints Per 1000 Customers	Complaints Ratio To Average
Central Ark Sewer System	1,305	1	1	0	0	0	0.77	2.66
General Waterworks Corp., Pine Bluff	19,807	5	4	0	1	0	0.25	0.88
Riviera Utilities	2,615	1	1	0	0	0	0.38	1.33
Shumaker Public Service Corp.	565	0	0	0	0	0	0.00	0.00
TOTALS AND AVERAGE	24,292	7	6	0	1	0	0.29	1.00

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Commission Review of Utility Operations

Telephone Company Name	Arkansas Access Lines	Complaints To APSC	Company Action Correct	Company Action Incorrect	Company Action Modified	Misc.	Complaints Per 1000 Customers	Complaints Ratio To Average
ALLTEL Ark., Inc.	76,626	57	30	4	20	3	0.74	1.32
Ark. Telephone Co.	6,375	2	2	0	0	0	0.31	0.56
Caddoan Telephone Co.	315	0	0	0	0	0	0.00	0.00
Central Ark. Telephone Coop.	2,391	1	0	0	1	0	0.42	0.74
Century Telephone of Ark.	15,111	21	11	4	5	1	1.39	2.46
Cleveland County Telephone Co.	2,825	3	2	0	1	0	1.06	1.88
Decatur Telephone Co.	1,131	0	0	0	0	0	0.00	0.00
E. Ritter Telephone Co.	4,019	0	0	0	0	0	0.00	0.00
GTE Arkansas	176,454	214	73	44	81	16	1.21	2.15
GTE Midwest		0	0	0	0	0	0.00	0.00
GTE Southwest		0	0	0	0	0	0.00	0.00
GTE Systems of Arkansas		0	0	0	0	0	0.00	0.00
Lavaca Telephone Co.	1,347	0	0	0	0	0	0.00	0.00
Madison County Telephone Co.	2,983	1	1	0	0	0	0.34	0.59
Magazine Telephone Co.	849	0	0	0	0	0	0.00	0.00
Mountain Home Telephone Co.	16,993	3	1	1	1	0	0.18	0.31
Mountain View Telephone Co.	5,289	5	3	0	2	0	0.95	1.68
Northern Ark. Telephone Co.	5,659	30	14	2	13	1	5.30	9.40
Perco Telephone Co.	3,599	0	0	0	0	0	0.00	0.00
Prairie Grove Telephone Co.	7,141	0	0	0	0	0	0.00	0.00
Redfield Telephone Co.	1,567	2	2	0	0	0	1.28	2.26
Rice Belt Telephone Co.	1,105	1	1	0	0	0	0.90	1.60
Scott County Telephone Co.	113	0	0	0	0	0	0.00	0.00
South Ark. Telephone Co.	3,184	1	1	0	0	0	0.31	0.56
Southwest Ark. Telephone Coop.	4,487	2	2	0	0	0	0.45	0.79
Southwestern Bell Telephone Co.	817,518	306	182	44	66	14	0.37	0.66
Tri-County Telephone Co.	5,272	5	3	1	1	0	0.95	1.68
Union Telephone Co.	626	0	0	0	0	0	0.00	0.00
Walnut Hill Telephone Co.	4,706	2	1	0	1	0	0.42	0.75
Yelcot Telephone Co.	2,924	4	4	0	0	0	1.37	2.42
Yell County Telephone Co.	4,383	3	1	0	2	0	0.68	1.21
All Long Distance Carriers ¹	N/A	63	16	18	25	4	N/A	N/A
TOTALS AND AVERAGE	1,174,992	663	334	100	194	35	0.56	1.00

1. Amounts shown for Long Distance Carriers are not included in the totals and average line.

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Commission Review of Utility Operations

B. Consumer Services Review of Compliance With PSC General Service Rules

The Consumer Services Section periodically reviews the number and character of consumer complaints the Commission receives to identify possible trends for a particular company or industry. Based on these reviews, the Section performs focused inspections to ensure compliance with the Commission's General Service Rules. During 1994, Consumer Services performed investigations of fifteen companies: ten electric (nineteen offices), three natural gas (eighteen offices), one telephone, and one water. In all but two cases, corrective action was taken in response to the findings and recommendations. Consumer Services staff members participated in seven dockets during 1994 - four addressed utility compliance with the Commission's General Service Rules and three were tariff dockets.

C. Gas Pipeline Safety Inspections and Investigations

Pipeline Safety staff members inspect numerous interstate natural gas operators and master metered gas systems for quality control of operating safety, gas leakage, and the control of corrosion. The inspections ensure that gas operators are in compliance with the Arkansas Gas Pipeline Code and the Commission's Special Rules - Gas. Accidents related to natural gas are investigated and reports are prepared to ensure compliance with all Commission standards of quality and safety. During 1994, Pipeline Safety staff members performed 57 pipeline safety inspections, 110 inspections of mastered metered systems and 4 gas-related accident investigations. Corrections of reported deficiencies are monitored until they are completed. In addition to required inspections, staff members provide technical assistance to the Commission by investigating unresolved consumer complaints of inadequate service quality.

D. Compliance Audits

Compliance audits are performed to investigate utility costs subject to automatic adjustment clauses. The purpose of these audits is to ensure that adjustment amounts and their recovery are in compliance with utility tariffs as approved by the Commission. During 1994, the Staff completed 427 desk audits of costs with adjustments totaling \$859,990. In addition, field audits were conducted of various adjustment clauses for 13 utilities. Staff's field work resulted in adjustments totaling \$379,129. At year end 1994, audits of seven utilities were in progress.

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Commission Review of Utility Operations

E. Telecommunications Reviews

Field quality of service reviews were conducted in 86 exchange areas of 15 local exchange carriers in 1994. The reviews involved service tests and inspections concerning central office and outside plant operations, maintenance, and transmission quality. The local exchange carriers evaluated were Lavaca Telephone Company, Redfield Telephone Company, Central Arkansas Telephone Cooperative, Yelcot Telephone Company, GTE Southwest Inc., GTE Arkansas Inc., Cleveland County Telephone Company, Decatur Telephone Company, Union Telephone Company, Mountain Home Telephone Company, South Arkansas Telephone Company, Madison County Telephone Company, Southwest Arkansas Telephone Cooperative, Rice Belt Telephone Company, and Arkansas Telephone Company.

Staff measures the quality of service provided against the standards established in the Commission's General Service Rules and Special Rules - Telecommunications. Standards cover items such as noise and loss associated with customer lines and network circuits, capacity and operation of switching machines, methods and quality of new construction, the company's response to requests for service connection, restoration of service, and general maintenance of facilities. Staff determined that the quality of service provided by the local exchange carriers was generally good or satisfactory. However, Staff did detect isolated cable problems, substandard subscriber service drop and protector installations, electro-mechanical switch maintenance problems, or less than satisfactory service outage restoration performance in several exchanges. Each company submitted corrective action reports to the Telecommunications Staff and Staff conducted follow-up reviews as required to ensure that problems were corrected and performance improved.

In addition to the periodic quality of service reviews noted above, Staff conducted a complete service evaluation in all 52 of the GTE Arkansas Inc. exchanges in conjunction with an earnings review in Docket No. 94-301-U. Although the field evaluation was completed in 1994, the Company's corrective actions and the Staff's follow-up will not be complete until 1995.

F. Electric Reviews

Electric Section Staff members perform quality-of-service inspections of the various Electric Cooperatives and Investor-Owned Utilities (IOUs) throughout the State to ensure compliance with the Commission's General Service Rules and the Special Rules - Electric. Staff measures the quality of service provided against the standards established by the Commission in these rules. The standards cover items such as the acceptable range of secondary voltages provided to customers, the minimization of electrical

Section 10.

Commission Review of Utility Operations

conductive and inductive effects, and the mapping and maintenance of transmission and distribution facilities including pole identification, right-of-way clearing, and substation record keeping. Staff also examines complaint and outage record and meter testing facilities and equipment on each quality-of-service inspection.

In 1994, Staff conducted ten quality-of-service inspections and one special project investigation. The quality-of-service inspections were performed on eight electric cooperatives (Carroll, C&L, Ashley-Chicot, Farmers, Arkansas Valley, Petit Jean, Ouachita, and Craighead), and two IOUs (Swepeco and OG&E). In addition, Staff conducted a special project investigation relating to the ice storm which occurred in February, 1994. This storm affected several electric cooperatives and IOUs within the State. Staff initially issued data requests for information regarding the extent and areas of damage to the most severely affected utilities and later met with employees from each affected utility and inspected the most severely damaged areas.

Section 11. Other Activities

NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

The National Association of Regulatory Utility Commissioners (NARUC) is a quasi-governmental non-profit corporation founded in 1889. NARUC membership is composed of the governmental agencies of the fifty states, the District of Columbia, Puerto Rico, the Virgin Islands, and 10 federal commissions. NARUC's objective is to improve the quality and effectiveness of public regulation of utilities and carriers.

NARUC operates through committees and subcommittees. Those groups advance regulation through study and discussion of the operation and supervision of public utilities and carriers. Through promoting coordinated action by the commissions, the organization serves to protect the public interest.

The Arkansas Public Service Commission is currently represented by the following committee and subcommittee assignments:

Sam I. Bratton, Jr.

Committee on Communications
Washington Action Committee
Policy & Oversight Committee for FCC-
State Audit for Southwestern Bell
Region

Julius D. Kearney

Committee on Gas

Patricia S. Qualls

Executive Committee
Electricity Committee
Subcommittee on Strategic Issues
Chair, Committee on Utility Association
Oversight

Dave Slaton

Staff Subcommittee on Administrative
Law Judges

Sarah Bradshaw

Staff Subcommittee on Law

Gail Jones

Staff Subcommittee on Gas

Sam Loudenslager

Staff Subcommittee on Communications
Staff Committee for Federal/State
Joint Boards
Staff Committee for Federal/State
Joint Conference to facilitate
Open Network Architecture

Russ Widmer

Staff Subcommittee on Accounts

David Lewis

Staff Subcommittee on Gas

Jerrell Clark

Staff Subcommittee on Executive Directors

Bill Dennis

Staff Subcommittee on Accounts

Mary Henthorn

Staff Subcommittee on Computers

Terry Fowler

Staff Subcommittee on Depreciation

Section 12. Receipts & Disbursements

RECEIPTS

Utility Assessments	\$5,811,211.00
Pipeline Safety Assessments	260,877.00
Other Filing Fees	22,100.00
Miscellaneous Fees	46,083.26
Federal Reimbursements	133,920.71
Refund to Expenditures-Prior Year	78.43
Refund to Expenditures-Current Year	<u>1,445.01</u>
 Total Receipts	 <u>\$6,275,715.41</u>
 Less 1.5% Treasury Fees	 <u>(\$93,504.00)</u>
 Net Deposit	 <u>\$6,182,211.41</u>

DISBURSEMENTS

Regular Salaries	\$4,005,484.62
Extra Help	1,041.66
Group Insurance	251,651.66
Retirement	397,034.96
FICA	291,503.69
FICA-Agency Cost of ARCAP	12,161.34
Career Recognition Payments	18,200.00
Postage	25,466.00
Telephone	642.20
Freight	12,388.25
Printing by Dept. of Corrections	367.54
Printing by DFA Quick Copy	1,536.35
Advertising & Clipping Service	11,303.36
Building Maintenance	960.80
Furniture & Equipment Maintenance	9,456.19
Vehicle Maintenance	7,485.00
Repair of DP Equipment	41,223.44

Section 12. Receipts & Disbursements

DISBURSEMENTS (Cont'd.)

Rent of Office Space	295,074.99
Rent of Furniture & Equipment	34,568.65
Rent Not Classified	11,880.63
Intrastate Meals & Lodging	27,993.75
Intrastate Mileage	479.00
Intrastate Other Travel	1,894.81
Interstate Meals & Lodging	107,091.71
Interstate Mileage	3,157.00
Interstate Common Carrier	68,207.49
Interstate Other Travel	11,724.48
Administrative Fees & Services	142,354.68
Reimbursable Expenses	8,593.95
Legal Fees	16,750.00
Legal Fees Reimbursable Expenses	1,039.70
Court Reporters	18,374.51
Interpreters-Hearing Impaired	1,076.50
Court Notary	688.00
Vehicle Insurance	5,992.00
Surety & Performance Bonds	35.00
Building & Contents Insurance	1,483.00
Lease of Terminals	4,124.00
Centrex	83,741.56
Association Dues	14,357.00
Indirect Cost Allocation	462.00
Marketing & Redistribution Fees	30.00
Educational Fees	7,638.00
Contract Labor	2,944.01
Vehicle Licenses	296.00
Credit Card Purchases-State Vehicle	5,512.40
Stationary & Office Supplies	31,204.45
Photo Supplies	142.17
Clothing & Other Materials	314.15
Subscriptions & Publications	45,612.71
Food Stuffs	350.20
Kitchen/Janitorial Supplies	20.91
Data Processing Supplies	3,056.38

Section 12. Receipts & Disbursements

DISBURSEMENTS (Cont'd.)

Purchase of Data Processing Software	2,901.30
Sales & Use Tax	6,623.12
Workers Compensation Premium Tax	8,217.63
Workers Compensation Contributions	8,710.81
Penalties	<u>38.37</u>
Total Disbursements	<u>\$6,072,664.08</u>

CAPITAL EXPENDITURES

State Vehicles	\$19,497.00
Office Machines	8,284.45
Office Furniture	9,273.56
Data Processing Equipment	<u>76,891.39</u>
Total Capital Expenditures	<u>\$113,946.40</u>
Total Disbursements Including Capital Expenditures	<u>\$6,186,610.48</u>

SUMMARY

Net Deposits	\$6,182,211.41
Total Disbursements	<u>(\$6,186,610.48)</u>
Deposits Over Disbursements	<u>(\$4,399.07)</u>

THE ARKANSAS PUBLIC SERVICE COMMISSION DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGION, AGE OR DISABILITY IN EMPLOYMENT OR IN THE PROVISION OF SERVICES.